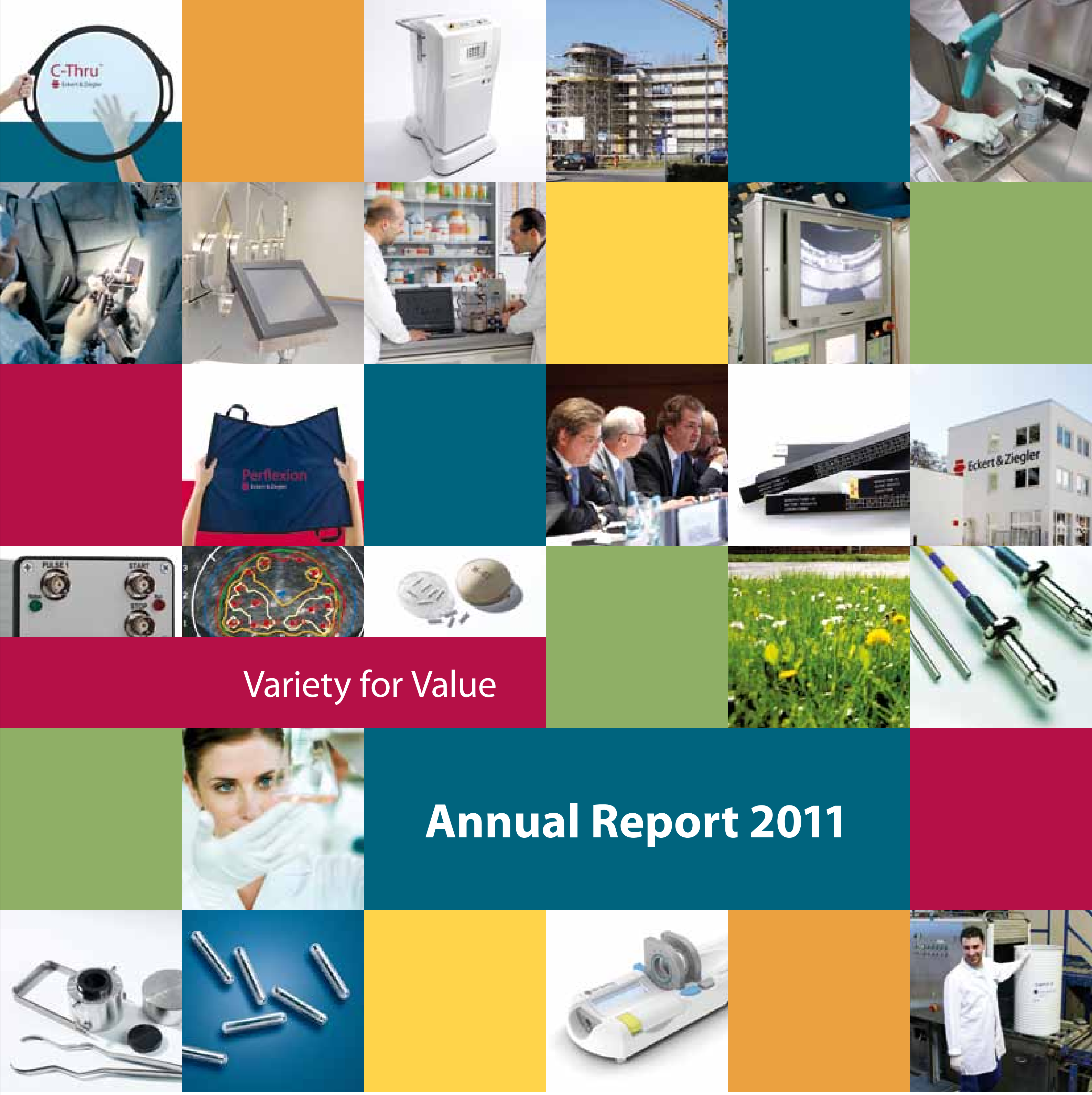


Variety for Value

Annual Report 2011

Eckert & Ziegler

		Change	2011	2010
Sales and Earnings				
Sales	TEUR	+5 %	116.197	111.093
EBITDA	TEUR	+15 %	30.412	26.413
Depreciations	TEUR	-24 %	-7.511	-9.842
EBIT	TEUR	+38 %	22.901	16.571
EBIT w/o one-off effects	TEUR	+38 %	22.901	16.571
EBIT margin w/o one-off effects	%	+32 %	20 %	15 %
Net profit for the year after taxes and minorities	TEUR	+11 %	10.418	9.413
Earnings per share w/o one-off effects	EUR	+9 %	1,98	1,81
Cash Flow				
Cash flow from operating activities	TEUR	+34 %	20.159	15.025
Liquid assets as of 31 December	TEUR	+11 %	32.304	29.216
Balance				
Shareholders' equity	TEUR	+11 %	81.569	73.605
Total assets	TEUR	+7 %	154.042	144.467
Equity ratio	%	+4 %	53 %	51 %
Net liquidity (liquidity minus debts)	TEUR	+93 %	14.315	7.413
Employees				
Average number of employees *	People	+7 %	547	512
Number of employees as of 31 December	People	+5 %	576	546
Key figures share				
Average number of shares in circulation	Item in thousand	+2 %	5.274	5.194
Book value per share	EUR	+9 %	14,34	13,23
Dividend	EUR	-	0,60**	0,60

* without executive boards, general managers, freelancer
** Dividend to be proposed to the Annual General Meeting by the Group on May 24, 2012

Eckert & Ziegler worldwide

Europe

1 Berlin, Germany **(Headquarters)**
2 Braunschweig, Germany
3 Bonn, Germany
4 Holzhausen, Germany
5 Seneffe, Belgium
6 Paris, France
7 London, Great Britain
8 Madrid, Spain
9 Milan, Italy
10 Prague, Czech Republic

North-/South America

11 Los Angeles, California, USA
12 Atlanta, Georgia, USA
13 Washington D.C., USA
14 Hopkinton, Massachusetts, USA
15 Fortaleza, Brazil

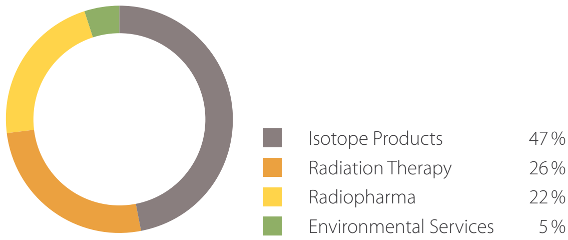
Asia and rest of world

16 Chennai, India
17 Moskau, Russia

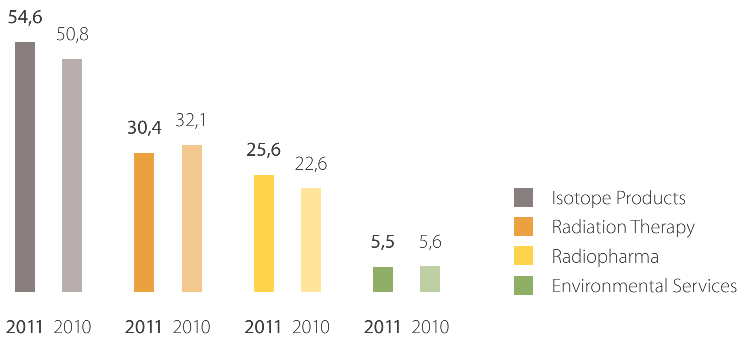
production site
distribution site

Eckert & Ziegler by segments

Sales by segments 2011



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



Isotope Products

One of the leading manufacturers worldwide of radioactive sources for nuclear imaging, measurement technology, quality assurance and environmental monitoring. The product range extends from calibration sources for PET cameras in hospitals to radiation sources for radiometric level measurements.

Radiation Therapy

One of the European market leaders for medical devices for brachytherapy. Brachytherapy is a form of radiation therapy which irradiates the tumor from a very short distance. Among the products are low radioactive, miniaturized implants for the treatment of prostate cancer (seeds) and tumor irradiation systems (afterloaders).

Radiopharma

German market leader for the contrast agent FDG for early detection of cancer. International manufacturer of radioactive diagnostics for positron emission tomography (PET) and synthesis devices (Modular-Lab) for the production of radiopharmaceuticals.

Environmental Services

Return of radiation sources that are no longer in use. Services for collection, measurement, sorting, processing and packing of low level radioactive waste from hospitals, research institutions and industry.

Variety for Value

The Eckert & Ziegler Group is one of the largest providers of radioactive components in the world. Its products are used in radiation therapy, nuclear medicine and measurement technology.

Variety of products

The Group operates in four segments: Radiation Therapy, Radiopharmaceuticals, Isotope Products and Environmental Services. These segments are further distinguished and classified into 15 main product categories. They include products for diagnosis and treatment of cancer, remediation of contaminated sites or thickness measurement devices in the paper industry. The catalogue for radiation sources in the measurement and testing engineering alone contains more than 1,000 standardized products. Not included here are the special, customized product developments.

Variety of niches

The radioactive radiation sources are used to cover niche markets worldwide. The employees of over 25 subsidiaries provide the knowledge and know-how for the particular needs of these markets.

Variety of customers

The international circle of customers is broad and runs from urologists to nuclear medicine scientists to measurement technology manufacturers or globally-acting pharmaceutical businesses.

Variety of ideas

Intelligent processes for manufacture of contrast materials, innovative prostate implants and new methods of production of raw products. To increase customer use and to ensure the growth of the group, a multitude of ideas are continually developed and made ready for the market.

Variety in Healing

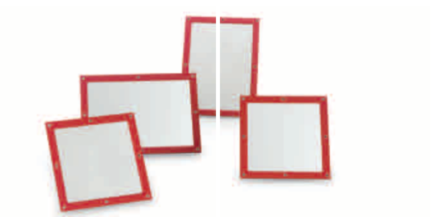
"Many tumors can be effectively controlled or even cured with radiation. Good results have been achieved in gynecologic cancers or in tumors of the esophagus. However, as a prerequisite, the doctors and medical physicists have to be able to operate the equipment. And here is where I come in. I make the radiological equipment, coupled with its complex software, understandable, which, in turn, ensures that the equipment is used to its full potential."

Paola Loja
Applications Specialist
Segment Radiation Therapy

Variety in Application

"I work in the processing of radioactive radiation sources, and I'm always fascinated to see something new, as well as in how many areas it can be used. For example, in everyday things, like filling measurements in the beverage industry, or as evidence of the lead content of paint, or for detection of explosives at airports."

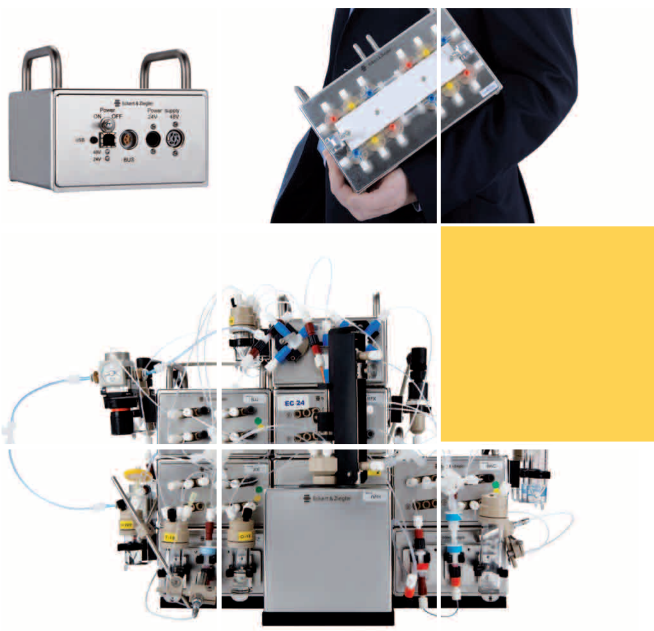
Benjamin Hoos
Production Employee
Segment Isotope Products



Variety in Diagnostics

"With the diagnostic methods of nuclear medicine – especially through positron emission tomography – a multitude of diseases can be reliably identified: Parkinson's, cancer, heart/circulatory diseases and in the future also Alzheimer's. Imaging procedures thereby provide the basis for a treatment individualized for the patient. Eckert & Ziegler develops and produces the contrast material for this purpose. With the new gallium generator, we hope that, even more patients may be able to profit from this innovative method and early detection and ultimately receive optimal patient care."

Dr. Dirk W. Becker
Project Manager Germanium/Gallium-Generator
Segment Radiopharma



Variety in Measuring

"Radiation protection is our highest priority. This begins with the planning and design of our facilities and continues with the instruction and training of the employees and, of course includes extensive and systematic monitoring of human health and the environment. As a physicist and radiation protection supervisor, I take advantage of the variety of measuring methods, such as monitoring emissions, contamination control by means of the wipe test or direct measurement and dose rate measurements with several types of measurement systems."

Dr. Mihaela Tutuc
Team Leader Central Radiation Protection
at the Braunschweig location
Segment Environmental Services

List of contents

To our shareholders

Corporate Governance Report

Corporate responsibility

Group management report

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.

Dear Shareholder,

in 2012, BEBIG Isotopentechnik und Umweltdiagnostik GmbH, the nucleus of the Eckert & Ziegler Group, will be celebrating a milestone anniversary – its 20th. At the end of its abbreviated fiscal year in 1992, BEBIG's revenue was DM 253,000. In 2011, the Eckert and Ziegler Group's reported revenue was EUR 116,000,000, i.e., in a mere two decades, revenues increased by a factor of about 1,000.

A workforce of approximately 600 is attributable to our tremendous success. Today, our employees not only work at our headquarters in Berlin-Buch, but also at a dozen other locations – and, most recently, in Washington (D.C.). The company's leitmotif is still radioactive materials and their applications, particularly medical applications. The very-first eye applicators of the past have become the medical devices for the treatment of tumors, radiopharmaceuticals for nuclear medical diagnosis, industrial components for measurement technology and, for several years, services for environmental remediation and the disposal of low-level radioactive waste.

There is no end in sight for radioactive applications. In fact, the predominant opinion has been just the opposite for the last few decades. The trust of the investors has grown; significant resources have become available to the Group for investments or company acquisitions. For example, in March 2011, we made a takeover bid for Theragenics. Although our bid was not accepted, the company had a volume of USD 75 million. This demonstrates that the Group is in a position to make large-scale deals. Therefore, we remain optimistic about our growth forecasts.

However, in 2011, we only made smaller acquisitions. In July, we acquired the Instrumentation and Radiochemistry Equipment Business owned by Bioscan, Inc., an American company. Although this acquisition has not contributed significantly to our growth thus far, strategically it has opened access to a new customer base, and we are extremely pleased with this acquisition.

Thus, in 2011, the Group's entire growth was derived organically. The jump in revenue to **EUR 116 million** reflects an increase of only 5 % over the previous year. This is primarily attributable to the decrease in revenue in the Radiation Therapy segment. By contrast, in the other large segments, growth was more significant. Radiopharma grew impressively by 14 % and despite the strong negative impact of foreign exchange rates, Isotope Products grew by 7 %. For Environmental Services, only internal revenue increased; however, externally, volume decreased slightly by one percent.

If revenues are just cosmetic and only profits really count, then 2011 was still an excellent year. **For the first time, the Group exceeded the EUR 30 million mark with EBITDA** - an increase of 15 %. The increase of earnings before interest and taxes (EBIT) was even more impressive: it increased **enormously by just below 40 % to EUR 23 million.** Even though we missed our forecast of earnings per share by a mere EUR 0.02, we still consider earnings per share of EUR 1.98 a major success. The amortization of capitalized taxes in the Radiation Therapy segment accounted for close to EUR 0.30 per share, but it reduced the balance sheet risks that hid in the soft accounting items. We closed 2011 with improved key figures: an increased business volume, a higher equity ratio, a reduced period of time for debt clearance and a higher net liquidity (cash minus debts). Further details are listed on the following pages.

Dr. Andreas Eckert, Chairman of the Executive Board

In 2011, the Group made significant progress in the area of quality. The incorporation of IBt was completed; the company was renamed to Eckert & Ziegler BEBIG s.a. Symbolically, the Radiation Therapy segment was completely re-integrated into the Group. Taking into account the **comprehensive nature of cancer treatment,** this was a very important step. Ultimately, the mechanisms of action for radioactive medications that are produced or developed in the Radiopharma segment, and the radioactive medical radiation sources, for which the Radiation Therapy segment is responsible, are very similar. In both cases, the same properties of radioactive materials are used for the effective and efficient treatment of diseases.

The 2011 patient balance was once again impressive. Through the installation of 40 new systems, the number of clinics worldwide that are equipped with tumor radiation devices manufactured by Eckert & Ziegler increased to about 180 hospitals. As with the reusable eye applicators, exact patient numbers were not easy to determine, so the numbers are only an estimate. Overall, we assume that in the last financial year, including treatment trials and clinical developments, over **100,000 cancer patients** were able to profit **directly** from products manufactured by Eckert & Ziegler AG. There are also the indirect effects through the numerous medically-related articles. For example, Eckert & Ziegler Isotope Products is one of the largest manufacturers of products for nuclear medical quality assurance worldwide. Environmental Services is the German market leader for the disposal of hospital isotopes. A good portion of Isotrak, our scientific measurement program, also promotes research in the area of the life sciences.

Thus, there are many good reasons to be impressed with Eckert & Ziegler AG: an outstanding product spectrum, good economic numbers, an experienced management team oriented toward sustainability and an unrivaled talent pool dedicated to the development of beneficial and profitable applications of radioactive materials.

I would be pleased to have you on our side again.

Kindest regards

Andreas Eckert

Dr. André Heß, Member of the Executive Board

Dr. Edgar Löffler, Member of the Executive Board

Report of the Supervisory Board

In the financial year 2011, the Supervisory Board properly fulfilled the tasks incumbent upon it according to law, the corporate memorandum and articles of association and the rules of procedure. It has continuously given advice and supervised the activities of the Executive Board regarding corporate management. The Supervisory Board has been involved directly in all decisions of fundamental importance to the company.

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. Moreover, outside the Supervisory Board's meetings, the Chairman of the Supervisory Board was also regularly informed of current development in terms of the business situation and important business transactions by the Chairman of the Executive Board.

In all, five meetings of the Supervisory Board took place 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 documentation as well as following intensive discussions with the Executive Board. There were no committees of the Supervisory Board during the period under review.

No member of the Supervisory Board took part in fewer than half of the meetings; the total participation proportion of the board members was usually 97 %.

Focuses of the Sessions of the Supervisory Board

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

In the meeting on January 24, 2011, the Supervisory Board dealt with, among other things, the prognosis of the business figures for the 2010 financial year as well as a potential acquisition of Theragenics Corporation, Atlanta (USA).

The main session topic for the meeting on March 24, 2011, was the audit of the annual financial report and the management report for the Group and the company. Beyond this, the risk report of the company, in which the most important risk positions as well as the risk management in the corporation were described, presented and discussed in detail at this meeting. The Supervisory Board also approved an investment plan for the construction of a cyclotron in Warsaw (Poland) as well as the establishment of a Polish subsidiary in connection with it.

The topic of the meeting on May 18, 2011, was primarily the business figures for the first quarter of 2011.

In a written decision-making procedure on June 24, 2011, the Supervisory Board approved the acquisition of the analytical and chemical division of Bioscan, Inc., Washington (USA), the basic information of which had already been presented at the meeting on March 24, 2011.

At the Supervisory Board meeting on August 8, 2011, in addition to the business figures for the second quarter of 2011, the discussion included the strategic positioning of the company in the Environmental Services sector. Another important topic of the session was the testing and approval for the conclusion of a general contractor agreement as well as a rental pre-contract of the business with the Eckert Wagniskapital und Frühphasenfinanzierung GmbH, Zepernick.

The focus of the meeting on October 21, 2011, was the presentation and approval of the budget for the 2012 financial year as well as the presentation of the business figures for the third quarter of 2011.

Corporate Governance

During the report year, the Supervisory Board also dealt with the further development of standards of good and responsible corporate governance and, to this end, consulted the German Corporate Governance Code Government Commission in the edition of May 26, 2010. On December 3, 2011, the Executive Board and the Supervisory Board submitted a new Declaration of Conformity to the German Corporate Governance Code. Further details are in the Corporate Governance report of the Group, which is included in the annual report.

Moreover, during the period under review, the Supervisory Board examined the efficiency of its work as usual and implemented measures for improvement.

In the period under review, there were no conflicts of interest among members of the Supervisory Board.

Prof. Dr. Wolfgang Maennig, Chairman of the Supervisory Board

Audit of the Annual Financial Report 2011

The annual financial report of Eckert & Ziegler Strahlen- und Medizintechnik AG, the consolidated financial report of the Eckert & Ziegler Group and the management report were audited with the help of the accounting of the auditors chosen by the General Meeting for the 2011 business year, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Berlin. The auditor concluded that all legal requirements have been met and has granted the unqualified auditor's opinion. The auditor has further concluded that the board has implemented the measures under Article 91 § 2 AktG (German Stock Corporation Act) for the establishment of a risk monitoring system in a suitable form and that this is suitable for early detection of developments that endanger the continued existence of the company. With respect to the report presented to the Executive Board regarding the relationships of the company to affiliated businesses according to § 312 AktG (Dependency Report), the auditor has confirmed that the actual statements of the report are correct and that the service of the company was not unduly high in the transactions listed in the report.

The annual financial report documents to be audited, including the dependency report, and the auditors' reports were handed over to the Supervisory Board in due time. A representative of the auditor took part in the balance sheet meeting of the Supervisory Board on March 26, 2012 and reported on the essential results of the audit. The Supervisory Board acknowledged and approved the auditors' results.

Based on its final examination results, the Supervisory Board has no objections regarding the audited annual financial report documents and the dependency report, including the closing statement of the Executive Board. Consequently, the Supervisory Board approves the annual financial report of Eckert & Ziegler Strahlen- und Medizintechnik AG and the consolidated financial report of the Eckert & Ziegler Group. The annual financial report of Eckert & Ziegler Strahlen- und Medizintechnik AG is thereby finalized. The Supervisory Board agrees with the suggestion of the Executive Board on use of the accumulated profit.

Change in the Supervisory Board

Holger Bürk has resigned his office as member of the Supervisory Board effective December 31, 2011. He was replaced on January 1, 2012, by Dr. Fritz Oesterle. The appointment of Dr. Oesterle occurred by way of the due right of the founders of the company to delegate members to the Supervisory Board according to the by-laws.

Acknowledgment

The Supervisory Board would like to thank the members of the Executive Board and the Management Boards as well as the employees of the companies belonging to the Eckert & Ziegler Group for their active commitment and their achievements in the financial year 2011.

Berlin, March 2012
The Supervisory Board

Prof. Dr. Wolfgang Maennig
Chairman of the Supervisory Board

Group Executive Committee

The Group Executive Committee is comprised of the managers of the most important segments – who are mostly the same members of the Executive Board – and the executive managers of the larger subsidiaries. The responsibilities and duties of the Group Executive Committee include providing regular updates regarding business trends and transactions, discussing strategic issues and implementing decisions made by the Executive Board.

Dr. Andreas Eckert

Chairman of the Executive Board

Dr. Andreas Eckert studied economics and social science in Heidelberg, New York and Berlin. After completing his Ph.D., he represented the Secretary-General as Information Officer for the United Nations in New York, Latin America, Asia and Africa. Dr. Eckert returned to Berlin after German reunification and worked as an independent management consultant. He then founded Eckert & Ziegler Strahlen- und Medizintechnik AG as well as other technology companies that are predominantly involved in the life science sectors.

Dr. Edgar Löffler

Member of the Executive Board
Radiation Therapy Segment

After completing his doctorate in physics, Dr. Löffler worked in the medical physics field for several years. He then joined Nucletron as Head Product Manager and completed his tenure as General Manager of Isotron Isotopentechnik GmbH, a German subsidiary of Nucletron. In May 2001, Dr. Löffler was appointed a member of the Executive Board of Eckert & Ziegler.

Dr. André Heß

Member of the Executive Board
Radiopharma Segment

After completing his doctorate in chemistry and industrial engineering and management, Dr. Heß worked as a scientific assistant at the Humboldt University in Berlin for several years. He joined the Eckert & Ziegler Group in 1996, initially as a radiochemist and later as Head of Development and General Manager of different subsidiaries within the Group. In March 2008, he was appointed a member of the Executive Board of Eckert & Ziegler.

Frank Yeager

Isotope Products Segment

After completing a degree in mechanical engineering and an MBA, Mr. Yeager worked in executive-level positions at international industrial corporations. Since the end of 2001, he has served as CEO and Head of the Isotope Products division at the American subsidiary of Eckert & Ziegler Isotope Products, Inc.

Dr. Gunnar Mann

Environmental Services Segment

Dr. Mann holds a Ph.D. in physics and an MBA. After completing his studies, he worked at the Dresden University of Applied Sciences and TÜV Energie- und Systemtechnik GmbH. In 1998, Dr. Mann joined the Eckert & Ziegler Group, first as a physicist, then as Product Development Manager. Since 2000, Dr. Mann has been General Manager of various subsidiaries and affiliated companies of Eckert & Ziegler AG. Since January 2012, he has served as Head of the Environmental Services division.

1

2

3, 11

January

Eckert & Ziegler receives the final approval from the European Commission for its drug YTTRIGA (Yttrium-90-Chloride). (1)

February

The physicist Dr. Gudrun Erzgräber, member of the Supervisory Board, is awarded the renowned Timoféeff-Ressovsky Medal of the Russian Academy of Medical Sciences for her achievements in the area of radiation biophysics. (2)

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Eckert & Ziegler unveils its new MultiSource® HDR (High Dose Rate) Afterloader at the International HDR Brachytherapy Meeting in Thailand with around 100 international experts for radiation therapy. (3)

March

Eckert & Ziegler concludes a long-term contract with the Budapest-based Euromedic International B.V. for supply of its Polish diagnostic centers with FDG Fludeoxyglucose (^{18}F). The framework agreement also envisages the creation of a pharmaceutical production facility in Warsaw. (4)

May

Berlin's Governing Mayor, Klaus Wowereit, lays the foundation stone for the new Corporate Headquarters of Eckert & Ziegler AG in Berlin-Buch. (5)

13

10

General meeting of Eckert & Ziegler AG in Berlin-Buch.

June

On behalf of Eckert & Ziegler AG, Dr. Andreas Eckert accepts the "Man of Action 2011" award given by growth magazine "Markt und Mittelstand" (Market and SMEs). (6)

The chairwoman of the Bundestag fraction Alliance 90/The Greens, Renate Künast, visits Eckert & Ziegler AG in the context of an informational meeting at the Berlin-Buch science campus. (7)

The Belgian subsidiary IBt s.a. changes its name to Eckert & Ziegler BEBIG s.a. (7)

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July

Eckert & Ziegler acquires the analytic instrumentation and radiochemistry equipment business from the American market leader Bioscan, Inc. The transaction involves both analytical instruments used in quality control of radioactive pharmaceuticals and automated radiopharmaceutical synthesis units. (8)

The American subsidiary, Eckert & Ziegler Isotope Products, Inc., receives a certificate of recognition as "good corporate citizens" for the year 2009 from the Sanitation Districts of Los Angeles County for complying consistently with all their industrial wastewater discharge requirements.

8

September

Chancellor Angela Merkel honors Eckert & Ziegler for its commitment to training and features Eckert & Ziegler Eurotope GmbH and its trainee Torsten Petsching in the context of the informational event "Erfolgreich durch (die) Ausbildung" (Successful through Training). (9)

Eckert & Ziegler BEBIG Ltd. is awarded a public tender for the supply of Iodine-125 brachytherapy seeds, associated consumables and planning system for prostate implant to The Christie NHS Foundation Trust in Manchester, UK. The Christie is the largest cancer centre in Europe. (10)

Eckert & Ziegler BEBIG installs the latest generation MultiSource® device in the leading private clinic in Colombia, the Centro de Control de Cancer LTDA in Bogota. (11)

October

At the annual congress of the European Association of Nuclear Medicine (EANM) in Birmingham, the Eckert & Ziegler travel grants are awarded for the fourth time to five outstanding nuclear medicine scientists (12)

December

The lawyer and long-time former CEO of the M-DAX-listed Celesio AG, Dr. Fritz Oesterle, is appointed to the Supervisory Board effective January 1, 2012. (13)

The share

Basic Information on the Eckert & Ziegler share

International Securities
Identification Number (ISIN) DE0005659700

Security Identification Number
(WKN) 565 970

Stock exchange sector
Prime Standard, Frankfurt

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

Free float
67,8 %

Quotation in indices of the German Stock Exchange
CDAX
DAX International Mid 100
DAXplus Family Index
DAXsector All Pharma & Healthcare
DAXsector Pharma & Healthcare
DAXsubsector All Medical Technology
DAXsubsector Medical Technology
Prime All Share
Technology All Share

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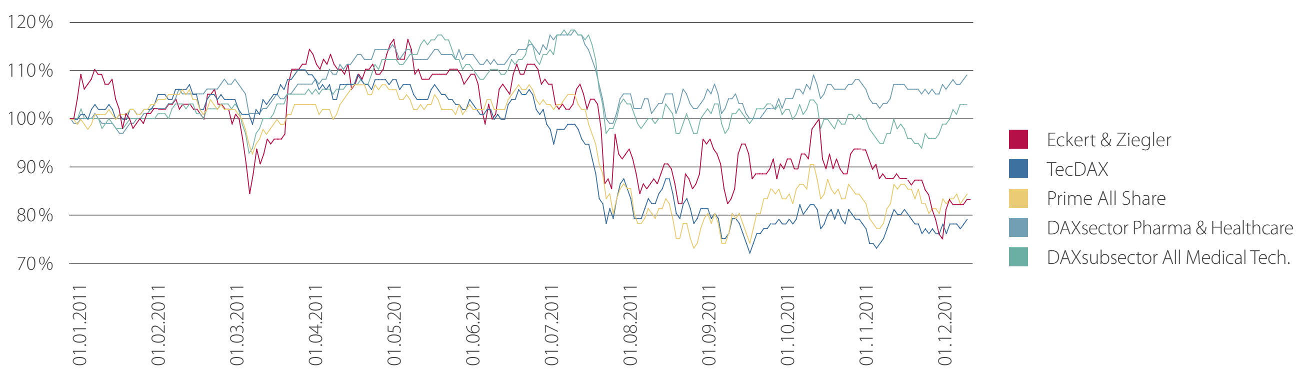
Key data

		31-Dec-2011	31-Dec-2010	in %
Closing price for the financial year*	in EUR	22.60	26.45	-15
Highest price for the financial year*	in EUR	31.60	27.59	15
Lowest price for the financial year*	in EUR	20.02	16.00	25
Price-Earnings Ratio (PER)		11	15	-23
Earnings per share (EPS)	in EUR	1.98	1.81	12
Cashflow per share	in EUR	3.81	2.89	32
Book value per share	in EUR	14.34	13.23	13
Average shares in circulation	in shares	5,273,906	5,193,614	1
Number of shares outstanding as of the reporting date	in shares	5,288,165	5,221,498	0
Market capitalization	in mil. EUR	120	138	-15
Average trading volume per day	in shares	10,688	16,101	-34

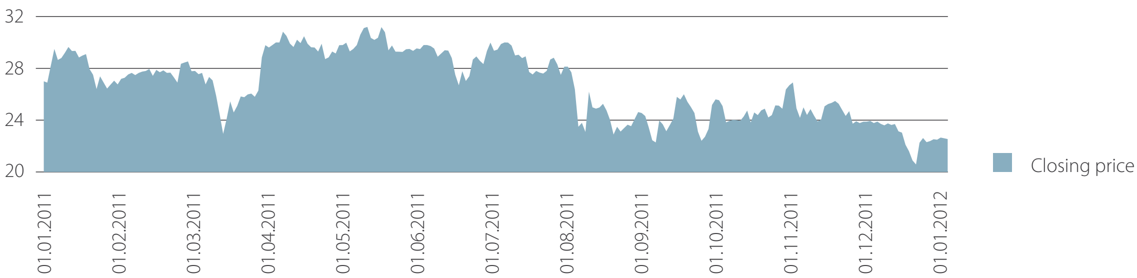
* Xetra

Dynamic performance of the Eckert & Ziegler share in 2011 (indexed at 100)



Annual Shareholder Meeting on 19 May 2011

Rate changes of the Eckert & Ziegler share in 2011



Development of the share

The share started the financial year with an Xetra close of EUR 26.45 and correlated strongly with the development of the DAX and TecDAX through mid-March. After disclosure of special loads from the depreciation of a loan, the share dropped briefly. With the publication of the very positive annual financial report at the end of March, the share recovered and in mid-May reached its peak for the year with EUR 31.60. However, subsequent to the general meeting and the dividend distribution, it had to accept significant loss of performance. After a brief intermediate high in June and July, the share followed the general market trend through the end of the period under review and closed at a price of EUR 22.60 on December 30, 2011. At -14.5 %, the annual performance of the Eckert & Ziegler share is comparable with that of the Prime All Share Performance Index, which was at -15.25 %. The trading volume through the end of the closed financial year was a daily average of 10,688 shares (previous year: 16,101 shares).

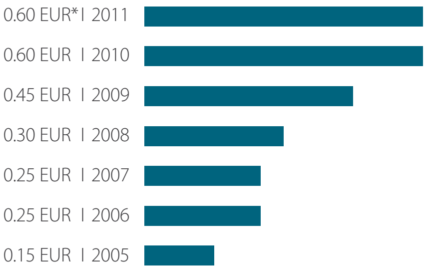
Earnings per share of EUR 1.98

In the period under review, the Eckert & Ziegler Group generated group earnings per share of EUR 1.98. Earnings 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.

Dividend of EUR 0.60

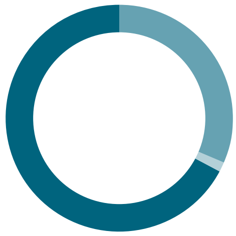
The company would like to continue its dividend policy from previous years and distribute about a third of the Group's income as dividends. The Executive Board and the Supervisory Board therefore suggested at the Annual General Meeting on May 19, 2011, the distribution of a dividend of EUR 0.60 per share for the 2011 financial year. Based on the closing price for the year of EUR 22.60, this results in a dividend yield of 2.7 %. This stands in comparison to the average dividend yield of the six TecDAX values, to which the health care industry belongs at a mere 1 %.

Dividends paid by Eckert & Ziegler AG



* Proposal to the Annual General Meeting on May 24, 2012

Shareholders' structure
as of December 31, 2011



*formerly Eckert Consult GmbH

Analyst recommendations

Both for institutional and private investors, the recommendations by the financial analysts are an important basis for decision-making for their stock portfolio. In the period under review, a total of 19 studies and short analyses of Eckert & Ziegler were published by Hauck & Aufhäuser and BankM. All studies came to the evaluation result "Buy."

Rating

The Deutsche Bundesbank has certified Eckert & Ziegler AG with the rating "eligible" (Level 3). The company thereby proves its good financial standing. The credit rating given by the Bundesbank is presented through a range of levels that moves on a scale from 1 to 7.

Shareholder supervision (Investor Relations)

The aim of our Investor Relations Department 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 Zürich, the Executive Board also presented new trends personally and was also available throughout the year for enquiries or visits by 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.

To receive mandatory stock exchange and press releases regularly by email, interested parties can have their names placed on the IR distribution list simply by contacting us via telephone or e-mail.

Corporate Governance Report

Eckert & Ziegler has always placed a high priority on responsible corporate leadership and we will continue this practice in the future. In the period under review, we have primarily followed the recommendations in the latest version of the German Corporate Governance Code Government Commission, as published by the Federal Ministry of Justice. However, in a few exceptional cases, we did not follow the Code's recommendations.

In accordance with Article 161 of the German Stock Corporation Act (AktG), the Executive Board and the Supervisory Board have submitted the following declaration of conformity for the company, dated December 3, 2011; in it, among other things, the deviations from the recommendations are presented and the reasons for these exceptions are explained:

Declaration on the Corporate Governance Code in Accordance with § 161 AktG

In accordance with Article 161 AktG, the Executive Board and Supervisory Board of Eckert & Ziegler Strahlen- und Medizintechnik AG submit herewith the following declaration:

Eckert & Ziegler Strahlen- und Medizintechnik AG will comply with the recommendations of the German Corporate Governance Code Government Commission – 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 to a deductible amount in the D&O insurance (liability insurance for the members of the governing 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 no committees, no auditing committee or nomination committee.

The need to form committees, but especially an auditing committee or a 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 duties conferred on such committees are therefore performed by the Supervisory Board itself as a joint body.

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

No age limits have been set either for members of the Executive Board or for members of the Supervisory Board. Similarly, there are no concrete definitions for either the Executive Board or the Supervisory Board with regard to diversity or the proportionate participation or women.

The Executive Board and Supervisory Board are of the opinion that a general age limit for members of the Executive Board and of the Supervisory Board as well as clear-cut definitions for diversity or quotas of women does not represent appropriate criteria for appointing members to these bodies. Rather, when it comes to the appointment of members to the Executive Board and Supervisory Board, the fundamentally important criterion is whether the members have the necessary knowledge, skills and specialist experience with regard to both the company-specific situation and the international nature of the company's activities.

Supervisory Board remuneration:

The members of the Supervisory Board do not receive performance-based remuneration.

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

Moreover, Eckert & Ziegler Strahlen- und Medizintechnik AG has complied in full with the recommendations of the German Corporate Governance Code Government Commission – in the version of May 26, 2010 – since its declaration of compliance on December 3, 2010, apart from the exceptions stated in this declaration. The reasons for these deviations are explained above.

Berlin, December 3, 2011

For the Executive Board:

Dr. Andreas Eckert

Dr. Edgar Löffler

Dr. André Heß

For the Supervisory Board:

Prof. Dr. W. Maennig

Operating principle of the Executive Board and the Supervisory Board

In accordance with the requirements of the German Stock Corporation Law, the company is subject to a "dual leadership system," which is characterized by separation of personnel between the Executive Board as a management body and the Supervisory Board as a monitoring body. The Executive Board manages the company with the goal of sustainable creation of value, develops the corporate strategy and provides for its implementation with the approval of the Supervisory Board. The Supervisory Board, by contrast, has the task of constantly monitoring and advising the Executive Board. The Executive Board and the Supervisory Board thus work closely together in the interest of the company.

The Executive Board of the company currently consists of three members. The members of the Executive Board together bear the responsibility for the management of the business. Without prejudice to the joint responsibility of all Executive Board members, each member of the Executive Board manages the area of the business assigned to him or her in his or her own authority.

The ground rules of the collaboration of the Executive Board are promulgated in the rules of order of the Executive Board. These regulate, in particular, the areas of responsibility of the individual board members; the matters reserved to the full Executive Board; the decision-making, namely necessary required majorities; and the rights and obligations of the chair of the Executive Board. Beyond these, the rules of order define a catalog of activities of fundamental importance for which the Executive Board requires the approval of the Supervisory Board.

The Executive Board informs the Supervisory Board regularly, promptly and extensively regarding all aspects of the business development that are essential for the Group, significant business transactions and the current earnings situation, including the risk situation and the risk management. Deviations from the business process of previously set plans and goals are explained and justified.

The Supervisory Board consists statutorily of six members and is composed exclusively of representatives of the shareholders. In decisions of fundamental importance to the company, the Supervisory Board is directly involved. The same applies to the strategic orientation of the company. The Supervisory Board appoints and dismisses the members of the Executive Board, determines the compensation system for the Executive Board members and defines its respective total compensation.

The procedural rules with regard to the execution of meetings and decision-making of the Supervisory Board are compiled in the rules of order of the Supervisory Board. The chair of the Supervisory Board coordinates the work of the Supervisory Board and leads the meetings. Committees are not established in the Supervisory Board at this time.

Remuneration of Executive Board and Supervisory Board

The remuneration of the Executive Board and Supervisory Board is described in more detail in the remuneration report, which is a part of the group management report.

Aims for filling the positions on the Supervisory Board and state of the implementation

The positions on the Supervisory Board should be occupied such that its members on the whole have the knowledge, skills and specialist experience which are necessary for properly performing the tasks. Similarly, the Supervisory Board as a whole should have the knowledge and experience that is essential to the activities of the business. Moreover, with regard to the international activity of the company, the Supervisory Board should always be composed of multiple members who have international business experience or another international connection.

According to the evaluation of the business, the Supervisory Board is composed of persons who have a broad range of experience in the areas important to the business. In addition to members with technical experience in the area of accounting and auditing, the Supervisory Board currently has members with proven expertise in health care, the natural sciences and the waste management industries. Multiple members also have international business experience or another international connection on the basis of a former or current professional activity.

In addition, a sufficient number of independent members should belong to the Supervisory Board. A member is considered independent when he or she has no professional or personal connection to the company or to its Executive Board that constitutes a conflict of interest.

According to the evaluation of the business, the necessary independence of the members of the Supervisory Board is assured. There are no known conflicts of interest through professional or personal relationships.

When filling the positions on the Supervisory Board, attention should also be paid to the proportionate participation of women; however, the stipulation of a quota is waived. The essential criterion for suggestions for election to the Supervisory Board thus lies with the specialist understanding in the areas important to the company.

At present, one woman is a member of the Supervisory Board. With a total of six Supervisory Board members, this number corresponds to a proportion of 17 %.

Shareholdings of members of the Executive Board and the Supervisory Board

The direct or indirect total holding of all members of the Executive and Supervisory Boards of shares of the company was more than 1 % as of December 31, 2011. Overall, members of the Executive Committee owned 1,740,243 shares as of December 31, 2011, which is a total of 32.88 % of the voting rights. Members of the Supervisory Board owned 46,314 shares at this point in time, which is a total of 0.88 % of the voting rights.

As of December 31, 2011, Dr. Andreas Eckert held indirectly through Eckert Wagniskapital und Frühphasenfinanzierung GmbH, Panketal, a stake in the amount of 1,701,986 shares and directly a stake in the amount of 12,001 shares, for a total of 32.38 % of the voting rights.

Eckert & Ziegler supports the "Buch Foxes" Initiative, a program that encourages elementary children to explore nature in the forests of Berlin-Buch

Scientific courses for children at the *Forschergarten*, an experimental research garden

Corporate responsibility

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 in Berlin-Buch 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 over 150 participating kindergartens and primary schools in the Berlin region. In 2011, the Forschergarten grew to almost 20,000 children, thus leading to an increase in the number of children who have taken part in the natural science experiment courses by more than 10%. Based on great demand, the course offerings will be developed further and expanded specially for physics classes of senior grades. Under the motto "Atoms for Handling", the topic of radioactivity will be presented graphically. This gives students the opportunity, for example, to detect natural radioactivity in building materials or tap water using a Geiger counter and get an insight into the use of radioactivity in medicine.

To allow Berlin's primary school students to make natural science explorations in woods and meadows, Eckert & Ziegler has sponsored the "Bucher Füchse" (Buch Foxes) initiative since 2011. A forest educator goes with the children on discovery trips through flora and fauna and explains individual natural phenomena. How does one distinguish insects from arachnids? Why do the leaves change color in the fall? Thus, the children experience nature up close, which stirs up their curiosity about natural correlations.

Eckert & Ziegler has promoted the U.S. National Multiple Sclerosis Society's donation campaign for many years. Backed by a team of employees, Eckert & Ziegler has been able to raise more than USD 10,000 by supporting the Society's annual „Walk MS" campaign against multiple sclerosis. Those afflicted with MS have benefited from the monetary donations that support research in finding a cure for this incurable disease.

To promote junior nuclear medical scientists, Eckert & Ziegler and the European Association of Nuclear Medicine offered a prize for young nuclear medicine researchers for the fourth time in 2011. The "Eckert & Ziegler Travel Award" should encourage young scientists to present their ideas to a larger public and intensify their exchange of ideas with other nuclear medicine researchers. The five travel grants, each totaling EUR 1,000, were awarded in October 2011 at the annual congress of EANM in Birmingham and went to five talented nuclear medical researchers from Australia, Germany, The Netherlands and Switzerland. The prize winners were selected by a jury of the European Association of Nuclear Medicine (EANM) from a total of 482 entries. Outstanding were works in the areas of oncological, cardiovascular and pulmonological diagnostics as well as oncological therapy.

Eckert & Ziegler AG Headquarters in Berlin-Buch

Environment and safety

In the period under review, there were approx. nine work-related accidents per 1,000 full-time employees group-wide (previous year: six). This number is substantially lower than the industry average. For example, in 2010, the Employers' Liability Insurance Association for Electrical Engineering, Textiles and Precision Mechanics and the Employers' Liability Insurance Association for Raw Materials and Chemical Industry reported approx. 20 and 19 work-related accidents per 1,000 full-time employees, respectively.

In the area of radiation protection, group-wide there were three radiological incidents in the period under review (previous year: 0). However, it should be noted that the radiological incidents in the past few years have only constituted deviations from normal operations. None of the incidents was safety-related. Moreover, in compliance with radiation protection regulations or official authorizations, these incidents were reported to the supervisory authorities. Even though no harm was caused to any person or to the environment, the Management, in conjunction with the supervisory authorities, conducted a comprehensive safety inspection. The Management then adopted new organizational and administrative safety measures designed to prevent future incidents.

Standardized workplace safety rules across Germany

To further improve workplace safety, each Eckert & Ziegler AG company located in Germany conducted risk assessments. After the risk assessments were completed, new safety measures were created in conformance with uniform standards.

Work-related accidents (in absolute values)	2011	2010	2009	2008	2007
Reported work-related accidents	5	3	3	6	5
Reported accidents en route to work	6	1	5	2	1
Work-related accidents (per 1,000 employees)					
Reported work-related accidents	9.1	5.9	5.9	11.8	9.8
Reported accidents en route to work	10.9	1.9	9.8	3.9	1.9
Radiation protection					
Radiological incidents *	3	0	2	1	1

*Events which are subject to reporting in compliance with radiation protection regulations or official authorizations

Production of low radioactive implants for the treatment of prostate cancer

For each company, the complete risk assessment consists of two steps. The first step includes a general evaluation checklist, which reflects and assesses the occupational safety organization's fundamental requirements. The second step involves area-specific evaluations that identify potential risk in the individual areas. The risk assessments were primarily carried out by the occupational safety specialist in cooperation with the company doctor and the individual area managers. In dangerous situations, such as the handling of radioactive materials or working in a high-voltage area, specially-trained specialists, such as radiation safety officers or external consultants, were brought in for the assessment.

No significant workplace safety deficiencies were found during the risk assessments conducted in 2011 at any Eckert & Ziegler company located in Germany. Furthermore, it was determined that the companies are in compliance with the applicable workplace safety regulations, i.e, they were able to demonstrate that all required operating manuals and personal protective equipment are in order and other organizational procedures are being followed. Finally, the few minor deficiencies found were corrected immediately. Risk assessments are conducted once a year by the occupational safety specialist in cooperation with the company doctor and the area manager. All risk assessment results are made available on the intranet for each area manager.

Implementation of new civil aviation security regulations

Since April 29, 2010, the new EU Civil Aviation Security directive (EC) 300/2008, which regulates the safety of air cargo in the European Union, has been in force in Germany. To ensure that air cargo has neither been tampered with nor manipulated, all cargo must undergo a 100 % physical screening examination before it can be loaded on the aircraft. Parties, who are able to guarantee a "secure supply chain," are exempt from the 100 % examination rule. Security check points are now located on the ramp, to minimize critical delays during security checks at the airport. In accordance with the directive, senders, who participate in the "secure supply chain" program, must be officially approved as an "authorized sender." Furthermore, Eckert & Ziegler has established a comprehensive safety program and has also trained the employees, who have access to air cargo.

In 2011, Eckert & Ziegler submitted an application "authorized sender" status to the Federal Office for Civil Aviation (Luftfahrtbundesamt) for all Group companies located in Germany that send cargo via air to receive. Before authorization is granted, the Federal Office for Civil Aviation must conduct an inspection in every operating location to determine whether they are in compliance with the regulation and also whether company-specific information corresponds to the requirements of air cargo security.

Of the seven Eckert & Ziegler companies that have already submitted applications for approval, three were inspected and authorization was granted in 2011 and another two as of March 2012. Moreover, they are now registered as "authorized senders" in the EU database. The inspection for the two remaining companies is expected to be completed by mid-2012.

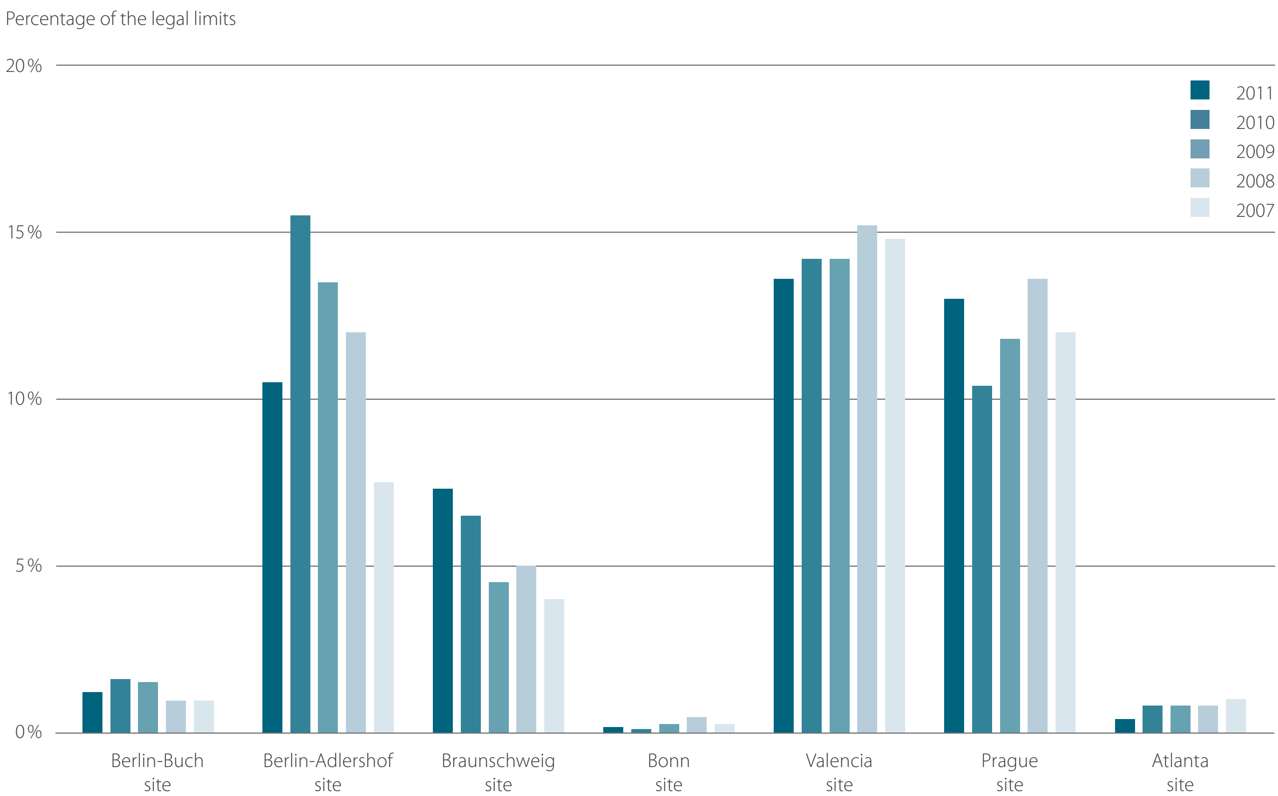
Production of radiopharmaceuticals

Environment

Quality, safety and environmental protection are the foremost goals of the Eckert & Ziegler Group. Therefore, the effects that the company's activities have on the environment are monitored on a regular basis. These careful and frequent official and non-official evaluations determined that, in the period under review, no relevant environmental impacts resulted from the individual companies of the Group. As in the previous year, the key figures remained significantly below the acceptable legal limits in 2011.

For example, the chart below depicts the development of a key radiological figure for the company-wide production sites from 2007 to 2011: the mean radiation doses for individuals, i.e., employee exposure to radiation.

Development of mean radiation doses for individuals for 2007 – 2011 at production sites company-wide (in %)



Group management report

Ruthenium applicators for treating eye cancer

Group management report

1. The group

The Eckert & Ziegler Group (hereinafter referred to as "Eckert & Ziegler" or "the Group") is an international group that specializes in radioactive applications for medical, scientific and industrial use. In addition to Eckert & Ziegler Strahlen- und Medizintechnik AG, the parent company, which is a publicly-traded company incorporated under German law and headquartered in Berlin, the Group consists of approximately 25 other companies, including minority interests. Eckert & Ziegler is managed by the Executive Board in conjunction with the Chairman of the Executive Board and the heads of selected Group segments.

The company's core competence is the handling and processing of low-level radioactive materials in specially-equipped and approved production facilities 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. Moreover, we construct manufacturing plants as well as dispose of low-level radioactive waste.

In the international markets in which Eckert & Ziegler operates, there are relatively few competitors. Eckert & Ziegler has no direct competitor offering the same broad range of products. Most of the company's competitors cater only to specific market niches. This situation is unlikely to change in the future, specifically due to the legal and regulatory barriers that make market entry for competitors difficult.

The operational business is carried out through subsidiaries in the four segments; namely, Radiation Therapy, Radiopharma, Isotope Products and Environmental Services, which, with their different product groups, are oriented toward various customer groups. A separate segment, which is not actively involved in the operational business, reflects the revenues and expenses of Eckert & Ziegler Strahlen- und Medizintechnik AG, the holding company.

The products in the Radiation Therapy segment (formerly the Therapy segment) 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 Radiation Therapy segment has been operating under the umbrella of Eckert & Ziegler BEBIG s.a. (in 2011, the company name was changed from International Brachytherapy s.a. to Eckert & Ziegler BEBIG s.a), which is listed on the NYSE Euronext in Brussels. As of December 31, 2011, Eckert & Ziegler shares 73 % of the earnings/losses and holds 79 % of the voting rights at the Annual General Meeting as of December 31, 2011.

In the Isotope Products segment, radioactive components are manufactured for imaging methods, scientific applications, quality assurance and measurement purposes. The headquarters for this segment are located in Los Angeles, California. The segment was once again made considerably larger in 2009 through the acquisition of nuclitec GmbH (now Eckert & Ziegler Nuclitec GmbH), Braunschweig, our largest competitor at the time.

In the Radiopharma segment, which is headquartered in Berlin with additional locations in Mainz, Bonn, Braunschweig and Washington, D.C., includes products, such as radioactive contrast agents for positron emission tomography (PET) and synthesis modules for producing radiopharmaceuticals. In practice, the equipment is used in nuclear medicine diagnosis and therapy, as well as in

C-Thru flood source for quality assurance in nuclear medicine

FeatherLite flood source for quality assurance in nuclear medicine

research. With the acquisition of nuclitec GmbH (now Eckert & Ziegler Nuclitec GmbH) at the beginning of 2009, the production of pharmaceutical grade yttrium-90 was added to the segment. Among the uses of this substance is the production of radioembolizers for the treatment of liver tumors. In 2011, the analytic instrumentation and radiochemistry equipment business was acquired from Bioscan, Inc., an American company. Bioscan's products expand the existing equipment portfolio of Eckert & Ziegler, and the segment gets access to new customers.

Since 2010, the Environmental Services segment has been reported separately. The business unit, with its headquarters in Braunschweig, provides removal, treatment and final disposal services of low-level radioactive waste. This business unit was acquired during the takeover of nuclitec GmbH (now Eckert & Ziegler Nuclitec GmbH) in 2009. The business was established to enable radiation sources to be removed from the Isotope Products segment's customers. Additionally, we provide removal services to hospitals and other institutions, in particular, where low-level radioactive waste is produced. Moreover, we offer project-based services; namely, the decontamination of manufacturing plants and the treatment of waste. In these cases, the radioactive substances remain the property of the customer.

The markets of the four operative segments are only loosely interconnected and each has its own business cycle and distinctive characteristics. In addition, there are national differences with 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.

2. Position of earnings, finance and assets

2.1 Business development

The Eckert & Ziegler Group's business volume increased again in 2011 and rose by 5 % from EUR 111.1 million to EUR 116.2 million. Revenue growth was mostly organic. Sonotech GmbH, Neu-Ulm, which was acquired at the end of 2010, achieved no external revenue. In the second half of 2011, revenue of EUR 1.1 million were achieved through the analytical and chemical devices acquired from Bioscan, Inc. The foreign currency exchange rate from USD to EUR had a negative impact. In the previous year, revenue in USD was converted at an exchange rate of 1.33 USD/EUR. In 2011, the average exchange rate rose to 1.40 USD/EUR. At the 2010 exchange rate, the 2011 revenue would have been approx. EUR 2.4 million higher. Organic revenue growth before acquisitions, adjusted for the exchange rate, was EUR 6.4 million or 6 %. Therefore, the Group has more than doubled its revenue in the last five years. Since 2006, the Group's revenue has grown on average by 18 % per year.

The largest revenue increase was once again achieved by the Isotope Products segment, where revenue increased from EUR 50.8 million in the previous year to EUR 54.6 million in 2011. The largest revenue increase was achieved with components for industrial measurement technology, which also includes sales of radiation sources for oil and gas exploration. The Radiopharma segment generated the highest relative growth with an increase of 14 %. Here revenue from cyclotron-based radioactive diagnostic agents had the strongest growth. In the Radiation Therapy segment, revenue fell by EUR 1.7 million to EUR 30.4 million, because, as planned, revenue from the sale of manufacturing plants to Russia declined. In the Environmental Services segment, revenue

Perflexion flood source for quality assurance in nuclear medicine

fell slightly by 1 % to EUR 5.5 million. Significantly increased revenue is expected from the year 2012 onward. In fact, a new contract has already been signed.

In 2011, Europe including Russia accounted for total revenue of EUR 69.0 million, which is an increase of EUR 1.1 million from the previous year. The most important European consumer countries were Germany with EUR 24.2 million and France with EUR 8.5 million. However, in 2011, the largest sales market for Eckert & Ziegler's products was again the United States, where goods worth EUR 29.4 million were invoiced (predominantly in USD). Total USD revenue accounted for 39 % (previous year: 37 %) of total Group sales. Consequently, the dependence of the Group on exchange rates left revenue on par with the previous year.

2.2 Earning position

Earnings after taxes and minority interests increased by 11 % from EUR 9.4 million to EUR 10.4 million. The number of shares increased slightly from 5.2 to 5.3 million, because shares were repurchased in 2011. Earnings per share increased by EUR 0.17 per share to EUR 1.98 per share.

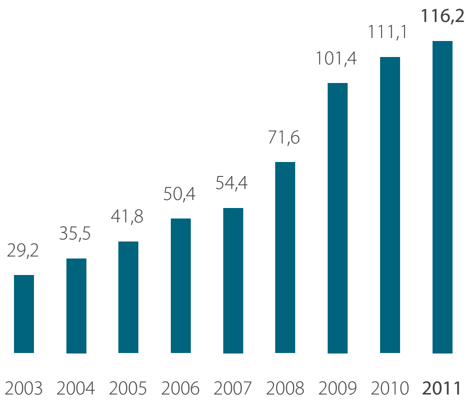
A comparison of the income statements for 2010 and 2011 shows an improvement of the gross profit margin from 52 % to 55 %. This was achieved by the decrease of the cost of sales by 3 %, although sales increased by 5 %. This positive development is mainly attributable to the newly-achieved economies of scale and further advancements in the organization of production. The operating costs, the general management costs and also the research and development costs remained nearly constant.

Other operational earnings increased by EUR 0.9 million, while other operational expenses increased by EUR 1.9 million. In both cases, the change is largely due to expenses (EUR 2.2 million) and cost allocations (EUR 2.3 million) connected with the new construction project in Berlin-Buch. The decrease in value of financial assets was caused by a one-time extraordinary loan depreciation expense in the previous year. To cover anticipated capital investments, an interest swap to hedge against increasing interest rates was concluded at the beginning of 2011, which lost value due to falling interest rates during the course of the year. Therefore, interest expenses in 2011 increased despite continued loan repayments. Interest earnings remained somewhat constant.

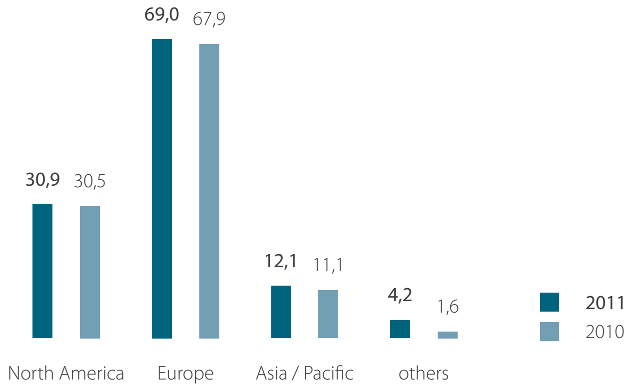
Earnings before income tax increased from EUR 14.4 million to EUR 20.2 million. Therefore, income taxes also increased, but disproportionally in comparison to the previous year. The tax ratio increased from 27 % to 44 %, particularly because of adjustments to deferred tax assets relating to losses carried forward.

The minority interests remained constant at EUR 1.0 million compared to the previous year.

Movements in sales 2003 to 2011 (in million EUR)



Sales trends by regions (in million EUR)



2.3 Development of the segments

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

In the three most important product groups—radioactive components for industrial metrology, radiation sources for imaging in nuclear medicine and calibration and measurement sources—Eckert & Ziegler has been well-positioned in the market for quite some time, with each product group enjoying global market share of at least one-third. This position was maintained or improved in the period under review. In sub-areas, it was increased significantly through the acquisition of the nuclitec GmbH (now Eckert & Ziegler Nuclitec GmbH). 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. The industrial metrology product division launched robust drill hole sources into the market in 2008. In 2011, market share further increased, especially in Asia. Calibration and measurement sources were consolidated segment-wide in 2011 under the trademark Isotrak. After the acquisition of Analytics, Inc. (now Eckert & Ziegler Analytics, Inc.), Atlanta, in 2005 and nuclitec GmbH (now Eckert & Ziegler Nuclitec GmbH), Braunschweig, in 2009, Eckert & Ziegler has reached a strong market position.

The Isotope Products segment developed quite positively again in 2011. Despite a negative exchange rate trend, revenue increased by 7 %, gross profit margin by 17 % and EBIT by 27 %. Revenue growth is attributed primarily to increased economies of scale and improved organization of production. The largest absolute revenue growth was achieved with radioactive components for industrial metrology. This area was secured mainly by the launch of a production facility for californium radiation sources. Products under the trademark Isotrak showed the strongest relative growth, which was an increase of 14 %. The sales of medical sources and raw isotopes, by contrast, remained at the previous year's level, if fluctuations in currency exchange rates are not taken into account.

Earnings after interest, taxes and minority interests rose by 35 % to EUR 10.9 million or EUR 2.06 per share. Earnings for the Isotope Products segment thus surpassed the Group's earnings.


MultiSource® Afterloader for treating cancer


Applicator for the MultiSource® Afterloader

Radiation Therapy segment

The main product groups of the segment are:

1. Implants for treating prostate cancer
2. Tumor radiation equipment
3. Therapeutic accessories
4. Ophthalmological products
5. Other therapeutic products and plant manufacturing engineering

Eckert & Ziegler provides implants for treating prostate cancer only in Europe and bordering regions, where it is one of the largest providers. The relevant market for implants is worth approximately EUR 50 million in Europe. However, the level of growth has decreased in the past few years. Moreover, significant pressure on gross profit margins has been felt due to reduced reimbursements and major American competitors taking advantage of favorable dollar exchange rates, which, in turn, further expand their operations in Europe despite high transportation costs. The strategic merger with the former Belgian competitor IBt s.a. (now Eckert & Ziegler BEBIG s.a.) and the subsequent consolidation of production in Berlin succeeded in further reducing manufacturing costs per implant. Through the economies of scale achieved, Eckert & Ziegler remained competitive. The largest market is still in the U.S. Recent attempts to acquire two American competitors were unsuccessful.

With tumor radiation equipment, Eckert & Ziegler's global market share remains rather low but is growing much faster than the market as a whole. The primary sales markets were in Russia, South America, Asia and the Middle East. Annual global sales of tumor radiation equipment based on isotope technology and accompanying services are currently estimated at EUR 80 to 120 million. In comparison to the competition, Eckert & Ziegler's competitive advantage is achieved by keeping the operating costs incurred by its equipment lower than the competitor's costs. Cobalt radiators are used in the majority of Eckert & Ziegler's devices. Cobalt has a significantly longer half-life compared to the iridium used in competitor devices. Thus, the radiation source of the Eckert & Ziegler device does not need to be changed as often, which leads to cost and logistical advantages. Eckert & Ziegler thereby has a competitive edge that leads to a higher market share especially in developing and emerging countries.

Total revenue in this segment fell by EUR 1.7 million from EUR 32.1 million to EUR 30.4 million. The cause of the decline was the Russian project, which entailed the delivery of a manufacturing plant for the production of implants, accounted for revenue of EUR 5.6 million in 2010, but in 2011, decreased to EUR 2.5 million. An agreement was reached between Eckert & Ziegler BEBIG s.a. (EZB), Rusnanotech Corp, a Russian open joint-stock company and Santis Ltd., a distribution company to construct production plants in the Russian Federation. The joint venture, "NanoBrachyTech," in which EZB holds a 15 % minority interest, was primarily created to produce medical products for the treatment of prostate cancer for customers in Russia, Ukraine, Belarus and Kazakhstan in the future. EZB has provided a modern production plant and the manufacturing know-how needed within the framework of a supply and license agreement.

The new afterloader device launched in 2011 generated a sales increase in the product group of 35 %. By contrast, sales of implants fell slightly.

Iodine seeds are delivered in radiation-proof transportation containers

Low-level radioactive iodine seeds for the minimal invasive treatment of prostate cancer

The main sales markets of the Radiation Therapy segment are the European Union and neighboring regions (including Russia), which accounted for over 85 % of revenue with external customers, or EUR 26.8 million of total revenue of EUR 30.4 million. The remaining EUR 3.6 million of revenue were essentially spread among exports to Asia, South America and Africa.

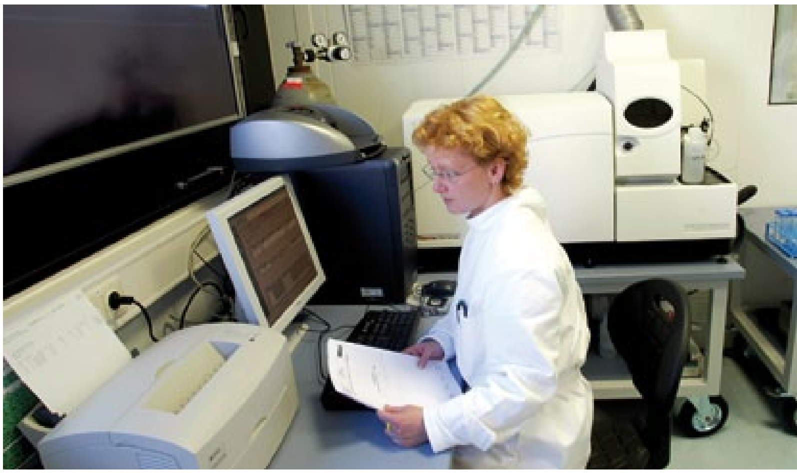
The decrease in revenue contributed to a decrease in the cost of sales, and the operating costs also fell compared to the previous year. By contrast, research and development costs of the segment increased by EUR 1.1 million, which is explained by the current projects being developed in that segment. The previous year was negatively affected by the write-off of a loan granted to Core Oncology, Inc. An increase in earnings before taxes and minority interests of EUR 0.7 million to EUR 3.8 million therefore remains in the total. Earnings are reduced by a tax burden increased by EUR 1.8 million to EUR 3.4 million, which is significantly due to the adjustment of deferred tax assets on losses carried forward.

After deducting regular minority interests of about 27 %, a contribution of EUR 0.3 million to Group earnings remains outstanding by the segment.

Eckert & Ziegler BEBIG s.a.'s Annual Report (www.bebig.eu) contains detailed information about the Radiation Therapy segment. Differences between the consolidated financial statements of Eckert & Ziegler BEBIG s.a. and the segment reporting of the entire Eckert & Ziegler Group are depicted in the following table.

	Radiation Therapy segment of Eckert & Ziegler AG	Group report of the publicly-traded Eckert & Ziegler BEBIG s.a.	Difference	From which deferred tax assets	From which difference in customer base and unrealized inter-company profits
	TEUR	TEUR	TEUR	TEUR	TEUR
Revenue from external customers	**30,413**	**30,413**	**0**		
Revenue from other segments of Eckert & Ziegler	**447**	**447**	**0**		
Costs	-27,054	-26,561	-493		-493
EBT	**3,806**	**4,299**	**-493**	**0**	**-493**
Tax on income and revenue	-3,407	-2,837	-570	**-719**	149
Group earnings	**399**	**1,462**	**-1,063**	**-719**	**-344**
Profit/loss relating to minority interests	-113				
Earnings of the shareholders of Eckert & Ziegler AG	**286**				


International distributor meeting in the Radiopharma segment


Quality assurance for the production of Yttrium-90

Radiopharma segment

The Radiopharma segment includes both the product group of synthesis modules (Modular-Lab) for the manufacture of radiopharmaceuticals and radioactive medicinal products for molecular imaging using positron emission tomography, as well as yttrium-90 solution in pharmaceutical quality for radiolabeling. The portfolio of synthesis modules was expanded in 2011 with the acquisition of the analytic instrumentation and radiochemistry equipment of Bioscan, Inc., an American company. The radioactive diagnostics are short-lived compounds that are produced almost exclusively to order in cyclotrons and delivered "fresh" every day.

The main product groups of the segment are:

1. Synthesis modules
2. Cyclotron-based radiodiagnostics and other products
3. Yttrium-90 and contract-based manufacturing projects

Cyclotron-based radiodiagnostics and other products (category no. 2 above) are primarily FDG (^{18}F) fludeoxyglucose which is glucose, radiolabeled with Fluor-18. FDG is used in approx. 200 hospitals throughout Europe in positron emission tomography (PET) to diagnose cancers. According to information provided by Medical Options, a market research company, Eckert & Ziegler was the second largest supplier of this radiopharmaceutical product in Europe as early as 2006. The Executive Board assumes that the rankings have not changed in the year under review and that Eckert & Ziegler AG is the market leader in Germany. The other key regional markets are in Poland and Luxembourg.

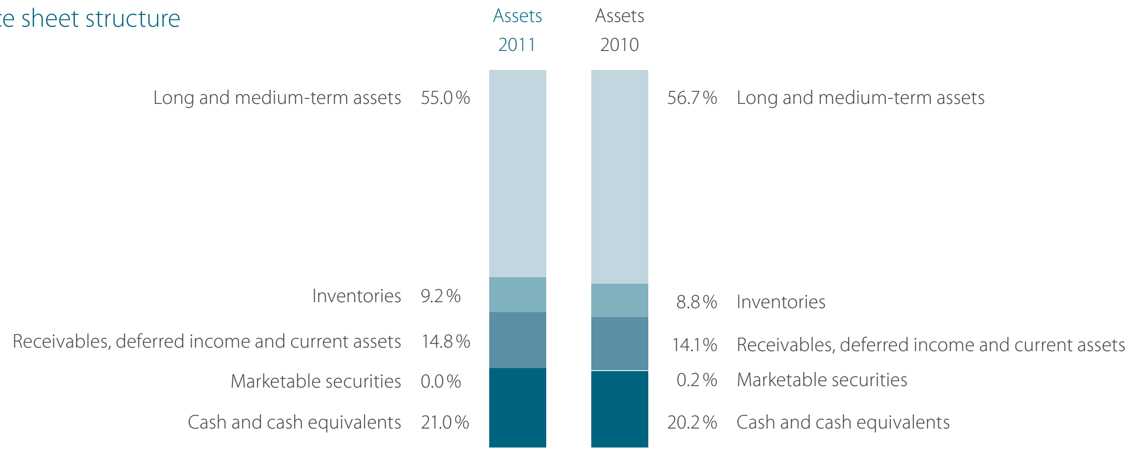
In nuclear medical diagnostics, for example, very small tumors or metabolic disorders are displayed as images using contrast media. Eckert & Ziegler produces the radioactive substances and synthesis equipment, so that they can be manufactured. In the development of pharmaceuticals, efficacy and tolerance are initially tested in pre-clinical studies and then later in clinical trials. By using radiolabeled substances, the distribution of the drug to be tested can be made visible in the organism.

Compared to previous years in this segment, revenue growth decreased slightly to 14 %. Overall revenue increased by EUR 3.1 million to EUR 25.6 million. The strongest revenue growth came from the cyclotron-based products with 16 % and that despite already enjoying a sizable level of market coverage. The Bioscan devices acquired at mid-year contributed to revenue of EUR 1.1 million, and the sales of Modular-Lab increased again. Only revenue from the yttrium-90 declined because a major customer was forced to file for bankruptcy.

Due to scale effects, the costs of sales increased less than the sales, and the gross profit margin increased by an absolute EUR 2.1 million. The operating costs increased slightly stronger than the sales, by 15 %, while the management costs increased less than proportionally. The research and development costs dropped compared to 2010, even by EUR 1.0 million. In the previous year there were extraordinary write-offs of previously activated development projects that were approximately equal to this amount.

In the previous year, the other operating results included a profit from loan waivers from old partners. This income was no recurrent in 2011, so the total other operating expenditures and income seemed lower by EUR 0.2 million. Overall, the EBIT increased from EUR 1.8 million to EUR 3.1 million. This positive operative development was already foreseeable in the previous year, which is why deferred tax assets on losses carried forward were established. This led to a tax income in 2010. In 2011 the regular tax expenditure applied to this income. In addition, minority interests now involved with cyclotron-based radioactive diagnostic agents are declared on parts of the profits from the consortium, after

Balance sheet structure



Total assets 2011: 154,042 TEUR, Total assets 2010: 144,467 TEUR

the losses of the previous year were balanced. Therefore, the income after taxes and minority interests stand at EUR 1.2 million and thus under the previous year's value by EUR 0.3 million.

Environmental Services segment

The Environmental Services segment has been disclosed separately since 2010. The business was acquired by Eckert & Ziegler Group in 2009 through the acquisition of Nuclitec GmbH (now Eckert & Ziegler Nuclitec GmbH).

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

The return of used radiation sources 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. This recycling is extremely useful for all parties involved and saves on resources.

In addition, the acceptance of low-level radioactive waste from hospitals and other institutions is offered. Thereby the waste becomes the property of Eckert & Ziegler so that Eckert & Ziegler assumes the responsibility for its final disposal. This business is limited to Germany for legal reasons.

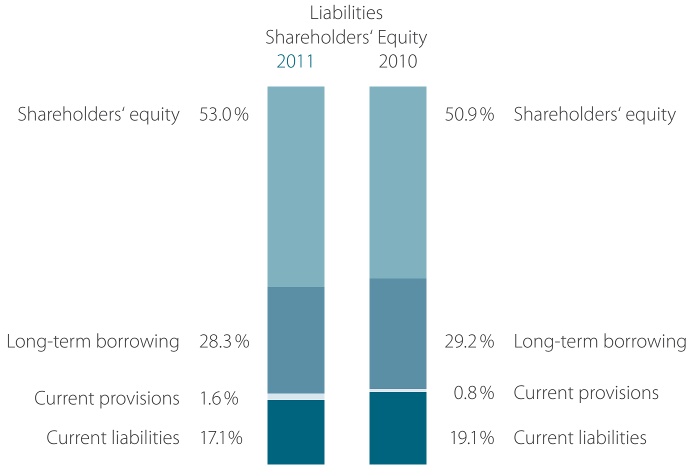
Moreover, services for decontamination and removal of nuclear systems are offered throughout Europe.

Eckert & Ziegler is one of the few authorized providers 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 federal final depot for low-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's sales to external customers was EUR 5.5 million in 2011 and thereby falls under the previous year's value by 1 %. However, combined with the contracts given within the Group, the segment nevertheless exceeded the previous year's sales. A new contract acquired in the second half of 2011 also provided for growing external sales beginning in 2012.

The segment incurred a loss after taxes of EUR 0.1 million, which is essentially due to expenses for preparations for the new business.

Balance sheet structure



Total assets 2011: 154,042 TEUR, Total assets 2010: 144,467 TEUR

2.4 Financial position

The cash flow statement begins with a period income which increased by 10 % to EUR 11.4 million, which is the income after taxes and before minority interests from the profit and loss statement.

To this were added the total non-cash expenditures and income of EUR 10.3 million in 2011. This value increased by EUR 3.3 million compared to 2010. The change arises from two opposing effects: On one hand, the depreciations decreased; on the other hand, more non-cash tax expenditures were included in 2011. The second effect dominates. Thus the gross cash flow, i.e. the total of the previously disclosed situations, increased by 25 % to EUR 21.7 million.

The changes to the short-term assets and liabilities, i.e. the development of the net current assets, had a negative influence on the cash flow in both 2010 and 2011. However, the effect compared to the previous year decreased by about half. In the previous year, in particular, short-term liabilities and provisions were triggered, whereas in 2011, money was increasingly invested in supplies and capital flowed in the further buildup of accounts receivable.

The capital flow from operational activity, calculated as the sum of the effects described above, increased significantly again compared to the record year 2010 and increased by 34 % to EUR 20.2 million.

The investments increased by 17 % compared to the previous year to EUR 8.9 million. This value is exceptionally high. It is not expected that investments of this magnitude will recur next year. This statement does not apply to investments for acquisitions, however. In 2011 the largest individual investment was the launch of world-wide unified ERP software for bookkeeping, sales, purchasing and production.

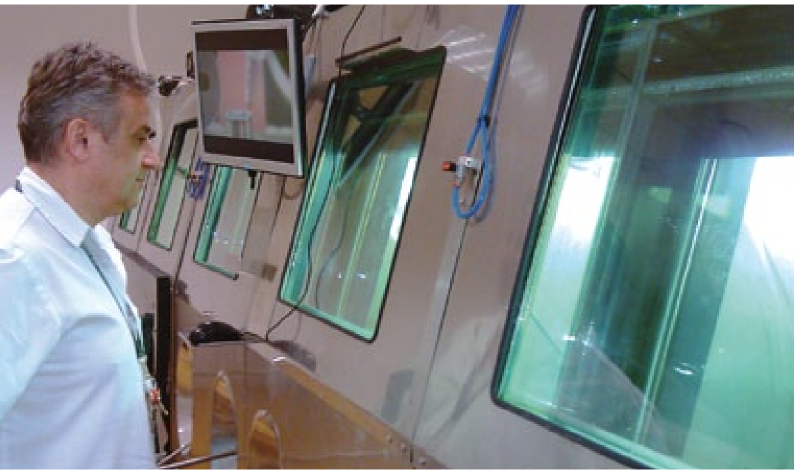
The capital outflow from financing activities amounted to EUR 8.4 million in 2011. The greatest effect here was from the decline in third-party financing. In the bottom line, EUR 3.7 million was paid on loans. Moreover, a dividend of EUR 0.60 per share, a total of EUR 3.2 million, was distributed. In the previous year, the financing activity was characterized by the payment from the takeover offer in the Radiation Therapy segment over EUR 22.8 million.

Thus, while in the previous year the liquidity waned by EUR 14.5 million, thanks to an excellent operating result and despite higher investments, loan payments and dividend distributions, additional capital of EUR 3.1 million was received in 2011. At the end of 2011, the liquidity was EUR 32.3 million.

2.5 Net asset

The balance sheet total increased in 2011 by 7 % or from EUR 9.6 million to EUR 154.0 million.

On the asset side there is the increase in intangible assets, which increased by EUR 3.8 million. The cause lies in the acquisition of the device portions of the American company Bioscan, Inc. as well as in the active projects of the development departments. In the second place, there is the increase of liquid capital by EUR 3.1 million, as described in Section 2.4. The increases in receivables and inventories are also mentioned there. The balance change thus amounted to a total of EUR 2.4 million. In this, the receivables increased by the same amount as sales. The payment period (DSO) remained constant at 57 days, whereby the figure in the Radiation Therapy segment increased from 54 to 77 days and in the Isotope Products segment fell from 63 to 48 days. In the Radiopharma segment, the payment period remained constant at around 63 days. The inventories, by contrast, increased stronger than the material need. The average storage period increased



Production of radioactive sealed sources at our facilities in Prague

Experts for environmental services at our facilities in Braunschweig

worldwide from 87 to 102 days. There is yet one more effect toward balance sheet contraction on the asset side: The deferred tax assets decreased substantially due to the adjustments in the Radiation Therapy segment by EUR 2.4 million.

On the liabilities side, the main cause for the balance sheet expansion lies in the increase of the equity by EUR 8.0 million as a result of the very good annual income. The equity has thereby increased stronger than the balance sheet total, so that the equity ration has increased from 51 % to 53 %. Aside from the equity, the liabilities also increased especially the reserves and the income tax liabilities. The loans have decreased due to the loan payments.

2.6 Staff

Development and structure of workforce

As of December 31, 2011, Eckert & Ziegler employed a total of 573 employees world-wide (2010: 543), which corresponds to an average number of employees of 562 (2010: 509) for the entire year of 2011. On the basis of full-time equivalents (FTE), which converts part-time positions into full-time positions, this figure corresponds to a total of 546 employees as of December 31, 2011 (2010: 505). Thus, compared to the previous year, the number of employees increased by about 8 %. The increase occurred especially in the Radiopharma and Isotope Products segments as well as in world-wide areas of the company.

The fluctuation rate, i.e. the number of former employees in the period under review, was 9 %, less than the previous year (2010: 12 %) and below the average yearly fluctuation rate in Germany of about 10-14 %. Overall, the fluctuation was distributed equally across all segments.

The proportion of women in the total workforce was 39 % in the period under review (2010: 38 %). World-wide, 32 % of the positions with disciplinary responsibility were held by women (2010: 33 %).

The average age of the workforce in the period under review was 43 (2010: 42) with a median in the 40- to 49-year-old age group.

Roughly half of all employees have a qualification from a university of applied sciences or a higher quality education.

Personnel costs

The personnel costs in the period under review were EUR 34.7 million (2010: EUR 30.6 million). This comes to an average personnel cost of about EUR 62,000 in 2011 as compared to about EUR 60,000 in the previous year. The increase of 3 % comes on one hand from raises and on the other from shifts in the qualification structure.

The declarations regarding the number of employees and personnel costs include all employees aside from the executives.

The remuneration of our employees consists of fixed and variable compensation elements as well as social services, which in part exceed the legal requirements. In some companies belonging to the Group, this includes, for example, an operational pension.

With the goal of better merging the interests of the employees with those of the company, Eckert & Ziegler has created variable remuneration systems, with which increasingly even employees that do not belong to the executive circle are compensated. In 2011, already more than half of the workforce was part of the company's success with performance-dependent bonuses.

5x5 km team relay race in Berlin

Compatibility of family and career

As an attractive employer Eckert & Ziegler makes it easier to combine family and professional life and at many sites offers 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 part-time ratio, i.e. the number of persons who work less than the regular working hours, was 12 % in the period under review (2010: 11 %).

Training and continuing education

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 apprentices, Eckert & Ziegler makes a contribution to its 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 2011, to carry out a subsequent activity.

In the financial year 2011 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 permanent employment to a host of these after completion of their project.

As an investment in the future, the Group also supports the continuing education of the employees. Pursuant to the communicated need for training of the employees, they have the opportunity to continue their education in seminars or workshops. The company also regularly offers internal specialist courses and training measures. In this financial year, the Group invested a total of EUR 286,000 (2010: EUR 272,000) in continuing education for employees.

2.7 Overall statement concerning the economic position

With a new maximum sales value of EUR 116.2 million and earnings after minority interests of EUR 10.4 million, Eckert & Ziegler looks back on a very successful year 2011. With the still very strong cash flow and a solid balance sheet structure, we are in a comfortable situation to be able to finance future growth – both organic as well as through acquisitions.

Synthesis device Modular-Lab for producing radioactive diagnostics

Single module of the Modular-Lab synthesis device

3. Research & development

Total expenses for research & development, plus capitalized development costs and without depreciation, amounted to EUR 5.4 million for the 2011 financial year (2010: EUR 3.8 million) and therefore rose compared to the previous year by 41 %. 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 2.9 million in 2010 to EUR 3.0 million in 2011. In the previous year, that figure included depreciations of EUR 1.3 million. These were particularly unplanned depreciations of activated development costs in the Radiopharma segment. In 2011 the depreciations decreased to EUR 0.2 million. The increase of the research and development activities in the Radiation Therapy segment more than compensated for this effect, however. The depreciation always affects the development or acquisition activities in previous years and must be calculated from the key figures. By contrast, the costs for developments that were activated must be calculated additionally. In the precious year, development services of EUR 2.0 million were activated. In 2011, the value increased to EUR 2.7 million.

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 28 %. This key figure indicates that around EUR 32.1 million in sales were generated with articles that were only incorporated into the Group's product portfolio two years ago. The products of Eckert & Ziegler Nuclitec GmbH and the afterloader newly launched in 2011 have the largest share of this key figure. Compared to the previous year, in which sales of new products defined as such accounted for about 36 % or EUR 40.1 million, the new product sales ratio has fallen slightly because products launched before 2009, such as radiation sources from NASM and for petroleum exploration, have fallen out of the calculation.

Specific details on the activities:

In the Radiation Therapy segment, the work concentrated on the development of a new MultiSource® tumor irradiation device, which now has an optimized operator guidance with which even complex cancer treatments can be carried out. MultiSource® is used especially for treatment of gynecological tumors and cancers of the prostate, esophagus and lungs. As accessories for this device, various applicators and cannulas were also developed that increase patient safety and operating comfort for the clinical user. Further, for the simpler and faster use of flexible catheters and plastic needles, an intelligent coupling system was developed with which the clinic personnel can safely connect the patients and the radiation device. Moreover, a procedure for casting of biocompatible plastics was qualified, with which the future complex applicator types can be independently developed and produced. For the new version of the planning software PSID 5.0, which is used in the therapy planning for treatment of prostate cancer, the clinical evaluation was also concluded successfully.

In the Radiopharma segment, a prototype of a new module called MicroCell was developed for the synthesis device system Modular-Lab, with which contrast media can be manufactured in nuclear medical clinics. This module for the fully automatic preparation of radioactive liquids in nuclear medicine is significantly smaller, lighter and more cost-effective as the standard "Hot Cell" required for the handling of radioactive material, the shielding of which mostly consists of centimeter-thick heavy lead blocks and complicated structural appliances. MicroCell is thereby also a practicable solution for nuclear medical practices, since it enables time savings in the installation as well as a cost advantage in the acquisition. In addition, a new software for use in quality control was developed and validated under the name RaPET, with which the distribution performance of a radioactive diagnostic agent can be determined.


MultiSource® Afterloader for treating cancer

In the Isotope Products segment, a new product line for Cf-252 neutron sources for the industrial analysis of minerals was developed to market readiness. These new sources are used for the exact determination of minerals in coal or cement and for the measurement of the water content for the storage of bulk materials. Also, production processes for the manufacture of calibration sources for the medical field were optimized to secure the leading position in this area.

4. Supplementary report

After the balance sheet date, there have been to date no events of special note that had a significant influence on the earnings, finance and asset position of the Group.

5. 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.

5.1 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 procedure 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. Preventive measures are agreed upon, emergency plans drawn up and regular evaluations organized for these risks insofar as possible. These include 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 from the beginning on 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.

5.2 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 existing loans were paid down according to plan. For the acquisition of the device parts of the US company Bioscan, Inc., a loan of USD 2.5 million was taken out. 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 these 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.

At the beginning of 2011, when the interest rates for long-term credit were relatively low but already beginning to rise, an interest swap was concluded in consideration of planned investment projects. Future investment projects can thus be financed effectively with the interest rate from the beginning of 2011. The interest rate then increased in the first quarter of 2011 before the development reversed over the course of the year and the long term interest rates fell again. Through this development, a book loss arose for the year 2011. At the end of the year, the prevailing swap rate was at a historic low that in principle may not be fallen below under the assumption that long-term financing justifies a certain rate increase compared to short-term financing. In the result, therefore, there is the chance to secure future financing at a relatively favorable interest rate but also a risk of further losses if the investment projects fail to materialize and the prevailing swap rate falls further.

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

5.3 Legal risks

The Group is susceptible to legal risks from civil suits or state or magisterial proceedings in which it is either currently involved or that could arise in the future. The results of currently pending or future proceedings is not foreseeable, so that due to legal or magisterial decisions or the agreement of settlement terms, costs could arise that are not covered or are not completely covered by insurance benefits and could have significant effects on the earnings and finance position.

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

5.4 IT risks

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

5.5 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 24 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 parent company in Berlin
- Standard reporting packages for all companies included in the consolidated financial statements. Further, the subsidiaries are supported by company supervisors within the Group Head Office, who form a quality control for the data which are taken over and assist the subsidiaries with complex questions
- 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 and search for indications of a value reduction, an impairment test is performed annually. 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 non-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. 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.

5.6 Personnel risks

In many segments, Eckert & Ziegler depends on the specialized knowledge of its employees. Especially in setting up new business fields, as well as 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.

5.7 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 functioning of the quality management systems is 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.

5.8 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.

5.9 Main customer risk

Sales to the five largest customers of the group for the period under review came to a total of EUR 18.0 million, which is about 16 % of the total performance. The customer base of Eckert & Ziegler remained broadly distributed, as also in the previous year, in which a total of EUR 16.4 million was achieved with the five largest customers (share: 15 %).

5.10 Risks and opportunities in the Radiation 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. (now Eckert & Ziegler BEBIG 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 prevailing debt crisis in some parts of 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 in 2011, which led to a significant growth in sales of the product group.

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

5.11 Risks and opportunities in the Isotope Products segment

Many industrial sub-segments have an oligopolistic market structure, 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 (some state-owned) companies from Russia or the CIS, which are susceptible to political developments and strategic 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 and to further continue the acquisition strategy.

5.12 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.

Analogous to the risk from major projects in the Radiation Therapy segment, the device portion of the Radiopharma segment is subject to the risk of reduced budgets from public clients. However, a significant proportion of the devices are sold to pharmaceutical companies and private clinics.

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. As a result, spare parts were taken from inventory and internal employees were trained in maintenance and service. In spite of these precautions, should the exchange of the cyclotron be necessary for technical reasons, a model calculation shows that even this scenario would be profitable for the company. Additional capacities would be gained thereby and the offering of new products would be expanded.

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, rather at the most effects on future chances for revenue.

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

5.13 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 2019 at the earliest. The Group has permits from the federal government to store such waste for the time being until the final handover to the final storage location. Corresponding provisions have been formed for the disposal costs incurred in the future.

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

5.14 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 2012.

6. Outlook

6.1 Overall economic environment

Subsequent to the crisis years 2008 and 2009, the year 2010 and the first half of 2011, especially in Germany, proceeded economically positively overall. In the middle of 2011, the economic growth slowed and the prognosis mainly assumes a stagnation for the year 2012 and traces this development to the effects of the debt crisis in Europe and the high national debt in the USA.

It is apparent that the sales and income development of Eckert & Ziegler occurred independently of these strong external influences. The demand for medical products and industrial radiation sources appears to be disturbed less by economic troughs than the demand in other industries. Despite this, it cannot be ruled out that in the future the operative business of Eckert & Ziegler will not suffer even more severely under global growth weaknesses. This is especially true if, due to austerity measures of the public debt, the major projects in state institutions are canceled or if there is an attempt to reduce the expenditures somewhat in the area of health care.

Among the other basic conditions, 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. In 2011, the average exchange rate was 1.40 USD per EUR. As this annual report goes to press, the exchange rate is around 1.32 USD per EUR. Thus the average exchange rate in the first quarter of 2012 is below the annual average for 2011 and thus is in the range that is favorable for Eckert & Ziegler. A prognosis of the exchange rate for the rest of 2012 is difficult and depends on a multitude of factors, including the debt position in the southern European nations, the uncertainty about the future of Greece in the Eurozone and the debt and balance-of-trade deficits in the USA. Based on the current rate, two opposing prognoses are presented to us: The HSBC expects a linear growth to 1.44 USD per EUR through the end of 2012, while the analysts of the BW Bank predict a temporary rate decrease to 1.25 USD per EUR through the middle of 2012. Regardless of who is correct, the fluctuations in this area are manageable. In any case, should the rate rise above 1.50 USD per EUR for the long term, reduced sales for the year 2012 in comparison to the previous year should be expected, 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 Radiation 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 Eckert & Ziegler.

The economy and exchange rate expectations of the market players are reflected in the interest development, whereby here the expectations, or rather fears, of inflation additionally play a role 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-year annual interest rates is of interest, however also only with regard to future larger 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.

To ensure favorable interest rates from the beginning of 2011, an interest swap was concluded at that point in time. Even when the interests fell further in the course of 2011, Eckert & Ziegler now has the option to refinance itself favorably in the long term.

After the integration subjects IBt s.a. and Eckert & Ziegler Nuclitec GmbH were successfully completed in 2010, in 2011 there were divers expansion projects and acquisition themes. Especially successful for this purpose were the winning of the long-term major contract in the Environmental Services segment and the acquisition of the analytical and chemical portions of Bioscan Inc. in the Radiopharma segment. This path should be continued in 2012.

6.2 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 54 million and the income after taxes and minority interests are kept stable at around EUR 10 million. Impulses for growth primarily arise from acquisitions.

6.3 Future business development in the Radiation Therapy segment

For the years 2012 and 2013, slightly increased sales and income in the single-digit percentage range are expected in the Radiation Therapy segment. The sales should thus be around EUR 30 million and the earnings after taxes and minority interests in the range between EUR 1 - 2 million. Essential for the growth are the increasing sales figures for the new afterloaders in new markets as well as the introduction of a new generation of implantation products. Moreover, the segment is pursuing a growth strategy and plans a market entrance in the USA.

6.4 Future business development in the Radiopharma segment

Constant sales of EUR 26 million are expected in the Radiopharma segment in 2012. Only from 2013 should sales grow again by about 10 %, since the new Polish production location will then be operational. For 2012, that means, among other things, a decrease in profits to EUR 0.5 million due to the startup costs of the Polish location and an increase in 2013 to EUR 2 million. These results could still turn out better if the products which are produced in the clean room productions set-up in Berlin and Braunschweig sell even better than expected. These are gallium generators produced in pharmaceutical quality and contract manufacturing projects of yttrium-90 applications. Acquisitions are also planned in this segment.

6.5 Future business development in the Environmental Services segment

In the Environmental Services segment, a significant increase in sales of over EUR 7 million is expected for 2012, while for 2013, sales of EUR 10 million are already realistic. The growth will be reached through the large contract acquired in 2011. The profits from this growth are relatively hard to plan for. For the years 2012 and 2013, no significant profit contributions should be expected. 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.

6.6 Future business development in the Group

In total, sales between EUR 117 and 124 million are expected for the coming financial years 2012 and 2013. The earnings after taxes and minority interests, after adding the losses from the holding segment, should be around EUR 10 million in 2012 and EUR 12 million in 2013. We will continue to keep an eye on the aim to double sales within 5 years stated after announcement of the figures for 2009, that is to say the achievement of the sales mark of EUR 200 million in 2014 with constant sales profitability.

7. Corporate Governance

7.1 Declaration on Corporate Governance

The company has released a declaration on corporate governance, which can be seen on the website under www.ezag.com > Investors > Corporate Governance > Declaration of Conformity

7.2 Remuneration report

Executive Board Remuneration

The remuneration of the Executive Board members aims at setting an incentive for a long-term successful corporate development. Therefore, a significant aspect of the remuneration is that, in addition to fixed compensation elements, variable compensation elements with a multiple-year measurement basis are agreed upon so that the members of the Executive Board are appropriately concerned with both positive and negative developments.

In the determination of the total remuneration as well as the distribution to individual compensation elements, the area of responsibility of the respective Executive Board member and his or her personal performance are especially evaluated. Moreover, the financial position, the success and the future outlook of the company are taken into consideration. Finally, the remuneration should also be attractive and appropriate in comparison to the competition environment and the remuneration structure.

The overall remuneration of the individual members of the Executive Board as well as the remuneration system is determined by the Supervisory Board for a period of several years and is reviewed at regular intervals. With regard to the provisions of the law concerning the appropriateness of the Executive Board's remuneration (VorstAG), the Executive Board contracts were adjusted effective as of the financial year 2011 so that the variable remuneration components now fundamentally show a long-term measurement basis. Similarly, the option was introduced to be able to reduce the remuneration of the Executive Board for the period of the worsening of the economic situation of the company to an appropriate level.

The fixed remuneration elements are paid monthly pro rata as salary. The members of the Executive Board also receive additional services in the form of benefits in kind, which consist mainly of use of a company car, telephone and insurance premiums. These accrue to all members of the Executive Board equally in principle but may vary in amount depending on the personal situation. As part of the remuneration, these additional services are to be taxed on the individual board member.

As variable remuneration elements, royalties with fundamentally long-term measurement basis are agreed upon. This is based on a percentage of cumulative EBIT or yearly surplus of the direct area of responsibility, observed over a defined multiple-year period. For the case of extraordinary developments, a cap is provided. In addition, variable remuneration elements can be agreed upon that are based only on a yearly success consideration and thereby either on a concrete goal achievement or a percentage share of the annual profit.

In the event that a board member terminates his employment prematurely or in line with his contract, no gratuities have been agreed upon. Likewise, there are no promises for severance compensation for the case of termination of activity with the company. However, the company grants two active members of the Executive Board an operational pension in the course of a so-called reinsurance underwriting account, which is financed by deferred compensation.

In 2011, the total compensation for the members of the Executive Board came to EUR 1,459,000 (previous year EUR 1,159,000). This corresponds to an increase of 26 % compared to the previous year. Of this total compensation, EUR 743,000 (previous year EUR 597,000) came from fixed elements and EUR 716,000 (previous year EUR 562,000) from variable elements.

The individual members of the Executive Board received thereby the following remunerations (individualized disclosures):

Name		Fixed components	Variable components	Total
	Fixed salary	Benefits in kind	Profit royalties/bonus	
Dr. Andreas Eckert	300,000 EUR	25,618 EUR	375,000 EUR	**700,618 EUR**
	(py. 240,000 EUR)	(py. 24,558 EUR)	(py. 200,000 EUR)	**(py. 464,558 EUR)**
Dr. Edgar Löffler	217,500 EUR	27,565 EUR	168,533 EUR	**413,598 EUR**
	(py. 153,000 EUR)	(py. 26,708 EUR)	(py. 202,032 EUR)	**(py. 381,740 EUR)**
Dr. André Heß	147,000 EUR	26,172 EUR	172,000 EUR	**345,172 EUR**
	(py. 132,000 EUR	(py. 20,270 EUR)	(py. 160,000 EUR)	**(py. 312,270 EUR)**

These values include all remunerations from companies of the Eckert & Ziegler Group.

Due to a pension promise, provisions accrued to a former member of the Executive Board in the amount of EUR 410,000 (previous year EUR 396,000; accounting always according to IFRS). In the 2011 financial year, pension payments were delivered to this former Executive Board member in the amount of EUR 32,000 (previous year EUR 32,000).

Supervisory Board remuneration

The remuneration of the Supervisory Board is regulated in the articles of association and takes into account the assumed responsibility and the range of activity of the members of the Supervisory Board as well as the economic state and the success of the company.

The remuneration of the Supervisory Board consists of an annual fixed remuneration as well as a meeting remuneration in the amount of EUR 750.00. As fixed remuneration, the Chairman of the Supervisory Board receives an annual salary of EUR 12,000, the deputy chairman an annual salary of EUR 9,000 and the other members of the Supervisory Board an annual salary of EUR 6,000. Members of the Supervisory Board do not receive performance-related remuneration.

Insofar as the members of the Supervisory Board are entitled to charge the VAT separately and exercise this right, the company reimburses the VAT. The company also reimburses the members of the Supervisory Board for the costs immediately connected with the execution of their duties.

In the financial year 2011, 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 21,800 (previous year EUR 18,800). This corresponds with a total expense of EUR 66,800 (previous year EUR 63,800).

The following individual remunerations were received by the individual members of the Supervisory Board:

Name	Remunerated function	Fixed remuneration	Meeting remuneration	Total
Prof. Dr. Wolfgang Maennig	Vorsitzender des Aufsichtsrates	12,000 EUR (py. 12,000 EUR)	3,000 EUR (py. 3,750 EUR)	15,000 EUR (py. 15,750 EUR)
Prof. Dr. Nikolaus Fuchs	Stellv. Vorsitzender des Aufsichtsrates	9,000 EUR (py. 9,000 EUR)	3,750 EUR (py. 3,750 EUR)	12,750 EUR (py. 12,750 EUR)
Hans-Jörg Hinke	Mitglied des Aufsichtsrates	6,000 EUR (py. 6,000 EUR)	3,750 EUR (py. 3,750 EUR)	9,750 EUR (py. 9,750 EUR)
Dr. Gudrun Erzgräber	Mitglied des Aufsichtsrates	6,000 EUR (py. 6,000 EUR)	3,750 EUR (py. 3,000 EUR)	9,750 EUR (py. 9,000 EUR)
Holger Bürk	Mitglied des Aufsichtsrates	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	Mitglied des Aufsichtsrates	6,000 EUR (py. 6,000 EUR)	3,750 EUR (py. 750 EUR)	9,750 EUR (py. 6,750 EUR)

No remuneration or benefits were 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, aside from Hans-Jörg Hinke and Holger Bürk, who each received EUR 12,000 in 2011 in addition to the above-named amounts for their activities on the management board of Eckert & Ziegler BEBIG s.a.

8. Take-over law disclosures

As of December 31, 2011, the Group's nominal capital was EUR 5,292,983.00 (previous year: EUR 5,292,983.00), 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, 2011, Dr. Andreas Eckert indirectly held 1,701,986 shares through Eckert Wagniskapital und Frühphasenfinanzierung GmbH, Panketal, Germany, and directly held 12,001 shares, for a total of 32.38 % of the voting rights.

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

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 be made only 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 nominal capital through May 19th, 2015, by up to a total of EUR 1,000,000.00 by issuing a maximum of 1,000,000 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.

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, 2015, 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.

Berlin, March 26, 2012

Eckert & Ziegler Strahlen- und Medizintechnik AG

The Executive Board

Dr. Andreas Eckert

Dr. Edgar Löffler

Dr. André Heß

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Group income statement

	Notes	2011 EUR ´000	2010 EUR ´000
Revenues	7.	116,197	111,093
Cost of sales	8.	-51,785	-53,295
Gross profit on sales		64,412	57,798
Selling expenses	9.	-19,531	-18,929
General administration costs	10.	-19,222	-18,828
Research and development costs	11.	-2,999	-2,886
Other operating income	14.	3,769	2,868
Other operating expenses	15.	-3,584	-1,703
Operating profit		22,845	18,320
Earnings from shares valuated at equity	16.	-108	-390
Value impairment of financial investments	17.	0	-1,402
Exchange rate gains		934	1,021
Exchange rate losses		-770	-978
Earnings before interest income and income taxes (EBIT)		22,901	16,571
Interest income	18.	220	299
Interest expenditure	18.	-2,891	-2,517
Earnings before income taxes		20,230	14,353
Income taxes	19.	-8,815	-3,938
Profit or loss for the period		11,415	10,415
Profit (or loss) relating to minority interests	20.	997	1,002
Divided to shareholders of Eckert & Ziegler AG		10,418	9,413
Earnings per share	21.		
Undiluted (EUR per share)		1.98	1.81
Diluted (EUR per share)		1.98	1.81
Shares in circulation on average (undiluted - in thousand units)		5,274	5,194
Shares in circulation on average (diluted - in thousand units)		5,274	5,208

Statement of comprehensive income

	Notes	2011 EUR '000	2010 EUR '000
Profit for the period		11,415	10,415
thereof profit relating to other partners		997	1,002
thereof relating to the shareholders of Eckert & Ziegler AG		10,418	9,413
Change in the fair value of financial assets available for sale		0	-2
Amount rebooked in the income statement		-1	0
Income taxes		0	1
Change in the amount entered in the shareholders' equity (financial assets available for sale)	27.	-1	-1
Change in the actuarial profits (+)/ losses (-) from performance-oriented pension commitments		-610	220
Income taxes		192	-70
Change in the amount entered in the shareholders' equity (actuarial profits (+)/ losses (-))	34.	-418	150
Change in the adjustment item from the currency translation of foreign subsidiaries		886	1,031
Change in the amount entered in the shareholders' equity (currency translation)		886	1,031
Total of the changes in value entered in the shareholders' equity		467	1,180
thereof relating to other partners		-32	-16
thereof relating to the shareholders of Eckert & Ziegler AG		499	1,196
Total from net income for the year and the changes in value entered in the shareholders' equity		11,882	11,595
thereof relating to other partners		965	986
thereof relating to the shareholders of Eckert & Ziegler AG		10,917	10,609

Group balance sheet

	Notes	31.12.2011 EUR ´000	31.12.2010 EUR ´000
Assets			
Non-current assets			
Goodwill	22.	31,252	29,662
Other intangible assets	22.	13,761	11,546
Property, facilities and equipment	23.	28,889	27,602
Financial assets valuated according to the at-equity method	24.	0	108
Deferred tax assets	19.	9,503	11,881
Other non-current assets	25.	1,330	1,220
Total non-current assets		84,735	82,019
Current assets			
Cash and cash equivalents	26.	32,304	29,216
Securities	27.	22	224
Trade receivables	28.	18,093	17,252
Inventories	29.	14,214	12,678
Other current assets	30.	4,674	3,078
Total current assets		69,307	62,448
Balance sheet total		154,042	144,467
Liabilities			
Capital and reserves	31.		
Subscribed capital		5,293	5,293
Capital reserves		53,500	53,874
Retained earnings		18,798	11,729
Other reserves		-1,684	-2,183
Own shares		-27	-401
Equity to which the shareholders of Eckert & Ziegler AG are entitled		75,880	68,312
Minority interests		5,689	5,293
Total capital and reserves		81,569	73,605
Non-current debts			
Loans and financial leasing liabilities	32.	12,890	16,009
Deferred income from grants and other deferred income	33.	999	584
Deferred tax liabilities	19.	1,813	647
Provisions for pensions	34.	6,816	5,913
Other provisions	35.	19,643	17,841
Other non-current liabilities	36.	1,490	1,118
Total non-current debts		43,651	42,112
Current debts			
Loans and financial leasing liabilities	32.	5,099	5,794
Trade liabilities		5,308	4,323
Advance payments received		1,324	3,374
Deferred income from grants and other deferred income (short-term)	35.	229	536
Income tax liabilities		2,429	1,112
Other current liabilities	37.	14,433	13,611
Total current debts		28,822	28,750
Balance sheet total		154,042	144,467

Statements of shareholders' equity

	Subscribed capital			
Statements of shareholders' equity	Number	Nominal value	Capital reserve	Retained earnings
Balance January 1, 2010	**5,260,283**	**5,260**	**52,719**	**21,955**
Foreign currency translation differences				
Unrealized gains/losses on performance-oriented pension commitments at balance sheet date (after tax of EUR ´000 0)				
Unrealized gains/losses on securities at balance sheet date (after tax of EUR ´000 1)				
Reversal of unrealized gains/losses on securities at previous balance sheet date				
Total of expenditures and income directly entered in equity	0	0	0	0
Net profit for the year				9,413
Total income for the period	0	0	0	9,413
Capital increases	32,700	33	204	
Dividends paid				-2,335
Purchase/sale of minority interests				-17,304
Sale of own shares			368	
Use of own shares for servicing share options			583	
Balance December 31, 2010	**5,292,983**	**5,293**	**53,874**	**11,729**

	Subscribed capital			
	Number	Nominal value	Capital reserve	Retained earnings
Balance January 1, 2011	**5,292,983**	**5,293**	**53,874**	**11,729**
Foreign currency translation differences				
Unrealized gains/losses on performance-oriented pension commitments at balance sheet date (after tax of EUR ´000 -192)				
Unrealized gains/losses on securities at balance sheet date (after tax of EUR ´000 1)				
Reversal of unrealized gains/losses on securities at previous balance sheet date				
Total of expenditures and income directly entered in equity	0	0	0	0
Net profit for the year				10,418
Total income for the period	0	0	0	10,418
Dividends paid				-3,173
Purchase/sale of minority interests				-176
Use of own shares for exercising the option regarding SMI			-374	
Balance December 31, 2011	**5,292,983**	**5,293**	**53,500**	**18,798**

Cumulative other equity items						
Unrealized profit Securities	Unrealized profit commitments	Foreign currency exchange differences	Own shares	To equityholders table to share holders' equity	Minority shares	Group shareholders' holders' equity
4	**-149**	**-3,234**	**-703**	**75,852**	**10,223**	**86,075**
		1,047		1,047	-16	1,031
	1			1		1
3				3		3
-4	149			145		145
-1	150	1,047	0	1,196	-16	1,180
				9,413	1,002	10,415
-1	150	1,047	0	10,609	986	11,595
				237		237
				-2,335	-351	-2,686
				-17,304	-5,565	-22,869
			113	481		481
			189	772		772
3	**1**	**-2,187**	**-401**	**68,312**	**5,293**	**73,605**

Cumulative other equity items						
Unrealized profit Securities	Unrealized profit commitments	Foreign currency exchange differences	Own shares	To equityholders table to share holders' equity	Minority shares	Group shareholders' holders' equity
3	**1**	**-2,187**	**-401**	**68,312**	**5,293**	**73,605**
		918		918	-32	886
	-417			-417		-417
2				2		2
-3	-1			-4		-4
-1	-418	918	0	499	-32	467
				10,418	997	11,415
-1	-418	918	0	10,917	965	11,882
				-3,173	-489	-3,662
				-176	-80	-256
			374	0		0
2	**-417**	**-1,269**	**-27**	**75,880**	**5,689**	**81,569**

Group cash flow statement

	Notes	2011 EUR '000	2010 EUR '000
Cashflow from operating activities	39.		
Annual profit or loss		11,415	10,415
Adjustments for:			
Depreciations and value impairments		7,511	9,842
Interest income		2,671	2,218
Interest payments		- 993	- 1,582
Income tax expense (+)/ income (-)		8,815	3,938
Income tax payments		- 5,565	- 5,301
Income not affecting payments from the writing back of the deferred grants		- 466	- 701
Change in the non-current provisions, other non-current liabilities		- 1,342	- 1,038
Profit (-)/loss from the disposal of fixed assets		- 5	16
Profit (-)/loss from the sale of securities		1	-
Other events not affecting payments		- 331	- 395
Changes in the current assets and liabilities			
Receivables		- 1,192	- 620
Inventories		- 1,448	707
Accruals, other current assets		56	- 94
Change in the current liabilities and provisions		1,032	- 2,380
Cash inflow from operating activities		20,159	15,025
Cashflow from investment activities	40.		
Acquisition of fixed assets		- 9,182	- 5,779
Sales of fixed assets		128	187
Acquisition of consolidated companies (less acquired liquid funds)		-	- 1,944
Sales of shares in consolidated companies		-	-
Sales of securities		200	-
Cash outflow from investment activities		- 8,854	- 7,536
Cashflow from financing activities:	41.		
Paid dividends		- 3,173	- 2,335
Distribution of shares of third parties		- 489	- 351
Sale of own shares and cash inflow from the exercising of stock options		-	712
Cash inflows from the taking out of loans		1,786	8,750
Cash outflows from the redemption of loans		- 5,531	- 6,218
Purchase of equity instruments of subsidiaries		- 1,008	- 22,841
Cash outflow (in the prev. year inflow) from financing activities		- 8,415	- 22,283
Changes in the financial holdings owing to exchange rates		198	336
Increase (in the prev. year decrease) in the financial holdings		3,088	- 14,458
Financial holdings at the beginning of the period		29,216	43,674
Financial holdings at the end of the period		32,304	29,216

The Executive Board released the consolidated financial statements for forwarding to the Supervisory Board on March 26, 2012.

Notes

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, 2011, 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, 2011. 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, 2011, 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. 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 depreciable intangible assets:

	Self-constructed	Acquired
Customer relations	-	8 to 10 years
Capitalized development costs	3 to 5 years	-
Patents, trademarks, 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, facilities and equipment – Value impairments on intangible assets and property, facilities 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 and Radiation Therapy segments each for the entire segment. In the Radiopharma segment, there are two CGUs. No goodwill is allocated to the Environmental Services segment.

The Executive Board considers amounts that exceed 10 % of the total goodwill of the Group to be significant. The CGUs of the Isotope Products and Radiation Therapy segments meet this criterion.

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, facilities and equipment – Property, facilities and equipment are valuated at acquisition or manufacturing cost less accumulated depreciation and impairment expenses. The manufacturing costs of self-constructed facilities 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. Due to financing leasing contracts, acquired property, facilities 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, facilities and equipment assets were reassessed in 2010, which resulted in impairments in the previous year. The Executive Board assumes that there was no further impairment of utility as of December 31, 2011. 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 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.

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 depreciatednin 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. The manufacturing costs include all directly attributable costs that are necessary to design and manufacture the asset and prepare it in such a way that it is ready-to-operate for the purpose intended by the management. Development costs that cannot be capitalized are entered as expense when they are incurred.

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 at the time of receipt. Grants for expenses are off set 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, facilities and equipment and development costs. They are written back affecting net income over the useful lives of the respective property, facilities 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 financial reporting standards

In the consolidated annual financial report, all standards of the IASB that were mandatory to be used in the EU as of the financial report deadline as well as the applicable IFRIC or SIC were followed. The Executive Board expects no significant effects on future group annual financial reports from the changes to existing standards made by the IASB in the framework of various projects for further development of the IFRS and for the achievement of a convergence with the US-GAAP or from new standards that are to be used only after December 31, 2011.

Financial reporting standards used for the first time in the current financial year:

In the 2011 financial year, the following financial reporting standards and interpretations were used for the first time. None of these new financial reporting standards had a material influence on the assets, financial position and financial performance or on the earning per share. However, their use can influence the accounting of future transactions or agreements. The changes to evidence and disclosure requirements were considered in the consolidated financial statements, especially in the group profit and loss accounting, total earnings statement and notes.

Changes to IFRS 3 – Business mergers

IFRS 3 was changed in the context of the yearly revisions (2010). The long-applicable right of choice for evaluations of non-controlling shares at the time of acquisition is available only for such non-controlling shares, as they represent the current ownership share and entitle the owner to an attributable value of the net assets in the case of liquidation. All other non-controlling shares are evaluated at the fair value at the time of acquisition provided another standard does not give another evaluation. Moreover, IFRS 3 was changed to clarify the accounting of share-based remuneration programs that are held by the employees of the acquired company. The changes specifically clarify that share-based remuneration transactions of the acquired company that are not replaced are to be evaluated at the time of acquisition according to IFRS 2 Share-based Remuneration ("market-based value"). Changes affect the classification of certain preemptive rights issued in foreign currency either as equity instruments or as financial liability. Therefore, due to the changes to IAS 32, rights, options or warrants that entitle to the acquisition of a fixed number of equity instruments of the company up to a fixed amount in an arbitrary currency are now to be classified as equity instruments if the company offers them pro rata to all current owners of non-derivative equity instruments of the same class. Before this change to IAS 32, rights, options or warrants that entitle the acquisition of a fixed number equity instruments of the company up to a fixed amount in an arbitrary currency were to be classified as derivatives. The changes require a retroactive application.

The application of the changes had no effect on the current or previous financial year.

Changes to IFRS 7 – Disclosure of Financial Instruments

The IASB made changes to IFRS 7 in the context of the yearly revisions (2010) to clarify already existing disclosure requirements. The changes encourage making more qualitative disclosures to give the addressees of the annual financial statements a complete picture of the type and magnitude of the risks that arise from financial instruments. The changes also lead to clarification with regard to the required consolidation of disclosures regarding non-payment risks and received securities. In addition, relaxations for the disclosures of renegotiated received loans were granted.

Change to IAS 1 – Presentation of the annual financial report

(in the context of the annual revisions of 2010)
The changes to IAS 1 clarify that a company can choose between the disclosure of an itemization of the other total earnings in the statement of changes in equity or in the notes. In the current financial year, the Group has chosen to disclose the itemization in the statement of changes in equity. The changes to IAS 1 are applied retroactively, and the note disclosure has thus been adjusted accordingly.

Changes to IAS 24 – Disclosures regarding affiliated companies and persons

The changes to IAS 24 simplify the disclosure requirements for businesses that are controlled, jointly managed or significantly influenced by governments (so-called government-connected businesses). Similarly, the definition of an affiliated company or an affiliated person is clarified.

Changes to IAS 32 – Classification of subscription rights

The changes affect the classification of certain subscription rights issued in foreign currency either as equity instruments or as financial liability. Therefore, due to the changes to IAS 32, rights, options or warrants that entitle the acquisition of a fixed number of equity instruments of the company up to a fixed amount in an arbitrary currency are now to be classified as equity instruments if the company offers them pro rata to all current owners of non-derivative equity instruments of the same class. Before this change to IAS 32, rights, options or warrants that entitle to the acquisition of a fixed number of equity instruments of the company up to a fixed amount in an arbitrary currency were to be classified as derivatives. The changes require a retroactive application.

The application of the changes had no effect on the current or previous financial year, since the Group has issued no instruments of this kind.

Changes to IAS 34 – Interim financial reporting (in the context of the annual revisions of 2010)

IAS 34 was changed for clarity with regard to the disclosure of significant events and transactions in interim financial reports. The change emphasizes that these disclosures in interim reports are always to be updated with respect to the relevant information from the last annual financial report. The changes also clarify how this principle is to be applied regarding finance instruments and their fair value. The application of the changes had no effects on the consolidated annual financial report.

Changes to IFRIC 14 – Advance subscription payments with existing minimum financing requirements

IFRIC 14 deals with the question of under which conditions reimbursements or reductions of future subscription payments are to be considered available in the sense of IAS 19.58; how minimum financing requirements can influence future subscription payments and under which circumstances minimum financing requirements require the recognition of a debt. The changes now allow recognition of an asset in the form of a minimum financing paid in advance. The application of the changes had no effects on the consolidated annual financial report.

Changes to IFRIC 13 – Customer loyalty program (in the context of the annual revisions of 2010)

The change to IFRIC 13 clarifies the determination of the fair value of award credits. The change states that the determination of the fair value of award credits must consider to what extent perks or incentives would also be accorded to customers who have not received any award credits for a purchase. The same applies for award credits that are expected to expire. The application of the changes had no effects on the consolidated annual financial report.

Changes to IFRIC 19 – Repayment of financial liabilities with equity instruments

IFRIC 19 regulates the accounting in the case of fulfillment of financial liabilities by disbursement of equity instruments. In particular, the equity instrument would be evaluated according to IFRIC 19 at fair value, and any difference between the book value of the financial liability would be repaid and that repayment would be covered in the profit and loss accounting.

The application of IFRIC 19 had no effect on the Group in the current financial year and previous periods, since no transactions of this kind were carried out.

Published, but not yet applied, financial reporting standards:

The following standards and interpretations, the application of which has previously not been required, were not yet applied in the present financial statement.

Standard	Title	Required for financial year beginning from:	Application planned from:	Possible effect on future financial statements:
IFRS 7 (revised)	Statements - Transfer of financial assets	01.07.2011	01.01.2012	negligible
IFRS 9	Financial instruments	01.01.2015	01.01.2015	negligible
IFRS 10	Consolidated financial statements	01.01.2013	01.01.2013	undetermined
IFRS 11	Joint agreements	01.01.2013	01.01.2013	undetermined
IFRS 12	Statements on disbursements to other companies	01.01.2013	01.01.2013	undetermined
IFRS 13	Assessment of fair value	01.01.2013	01.01.2013	undetermined
IAS 1 (revised)	Representation of items of the other joint earnings	01.07.2012	01.01.2013	negligible
IAS 12 (revised)	Deferred taxes - Recovery of the underlying assets	01.01.2012	01.01.2012	negligible
IAS 19 (2011)	Services to employees	01.01.2013	01.01.2013	undetermined
IAS 27 (2011)	Separate financial statements	01.01.2013	01.01.2013	undetermined
IAS 28 (2011)	Shares of associated companies and joint ventures	01.01.2013	01.01.2013	undetermined

The changes to IFRS 7 (Statements – Transfer of financial assets) expand the disclosure requirements to transactions that include transfers of financial assets. The changes should make the risk exposition more transparent in cases, where financial assets are transferred but the transferring party retains a certain degree of risk from the financial assets. With the changes, additional statements are also stipulated if transfers of financial assets do not occur regularly during the financial year.

The Executive Board expects no significant adaptations to the statements due to the changes to IFRS 7; however, if the Group should undertake other types of transfers of financial assets in the future, the statements connected to such transfers could change.

IFRS 9 Financial Instruments, published in November 2009, contains new classification and evaluation rules for financial assets. The IFRS 9 revised in October 2010 includes further rules for classification and evaluation of financial liabilities as well as for de-recognition. The central requirements of IFRS 9 are as follows:

- According to IFRS 9, all financial assets that currently fall within the scope of IAS 39 are to be valued subsequently either as amortized costs or as fair value. Debt instruments that are held in the context of a business model, the goal of which is to consolidate the contractual payment flows and the contractual payment flows of which, excluding interest and clearance payments, appear on the outstanding capital sum, are to be balanced in the following periods as amortized costs. All other instruments must be evaluated at fair value through profit and loss.

- In October 2010, IFRS 9 (revised) was published; the prescriptions for the classification and evaluation of financial liabilities were integrated into it. A significant change was the assessment of changes in the fair value of financial liabilities (that were designated as being evaluated as affecting net income to the fair value), which is traceable to changes in the inherent credit risk of the company. If a company designates a debt instrument as being evaluated as affecting net income to the fair value, the changes to the fair value that present themselves as changes to the inherent credit risk of the company are to be disclosed in the other income unless the recognition of changes to the inherent credit risk of the liability in the other income leads to the appearance or exacerbation of a financial disclosure anomaly in the profit or loss. Changes to the fair value on the basis of the change to the inherent credit risk may not be rebooked later in the net profit or loss for the period. IAS 39 now provides for a complete recognition of the changes to the fair value for debut instruments that were designated as affecting the net income to the fair value in profit or loss.

IFRS 9 is to be applied for financial years that begin on or before January 1, 2013; an earlier application is permitted. The Executive Board assumes that the application of IFRS 9 in the consolidated financial report for financial years that begin on January 1, 2013, will not significantly influence the depiction of financial assets and financial liabilities of the Group.

In May 2011, the IASB published a packet of five standards that deal with consolidation (IFRS 10), joint agreements (IFRS 11), statements on disbursements to other companies (IFRS 12), with separate financial statements (IAS 27 (2011)) and shares of associated businesses and joint ventures (IAS 28(2011)).

The essential requirements of the new standards are as follows:

IFRS 10 replaces the rules regarding consolidated financial reports in IAS 27 Consolidated and Separate Financial Statements. SIC-12 Consolidation – Single-Purpose Entities is also replaced by IFRS 10. With IFRS 10, the IASB now establishes the management approach as a unified principle. Management exhibits according to IFRS 10 when the following three requirements are cumulatively fulfilled: (a) a company must be able exercise power over the associate companies; (b) variable yields from its associates must be suspended and (c) it should be possible to influence the amount of the yields, based on its plenitude of power. The standard contains also detailed guidelines for implementation of complex issues.

IFRS 11 replaces IAS 31 Shares of Joint Ventures as well as SIC-13 Jointly Managed Units – Non-monetary Deposits by Partner Companies. IFRS 11 regulates the classification of joint agreements. A joint agreement is defined as a contractual agreement according to which two or more parties exercise joint management of something. Joint management can extend from a joint business activity or a joint venture. Contrary to IAS 31, in IFRS 11 the balancing of jointly controlled assets is no longer addressed separately; the rules for joint business activity are applied here. The classification of a joint agreement as joint business activity or as joint venture depends on the rights and responsibilities that accrue to the parties of the agreement.

Further, according to IFRS 11, the equity method must be used for integration of joint ventures, whereas according to IAS 31, either the quote consolidation or the equity method is permissible for jointly managed companies.

IFRS 12 is a standard regarding disclosures in notes. It is applicable to companies that are involved in subsidiaries, joint agreements (joint activities or joint ventures), associated companies and/or non-consolidated structured units. Essentially, the disclosures required in IFRS 12 are significantly more detailed than according to the currently applicable standards.

The five new standards are to be applied for financial years beginning on or after January 1, 2013. An earlier application is permitted as long as all five standards are applied early.

The Executive Board assumes that the five standards will be applied for the first time in the consolidated financial reports for the financial year beginning January 1, 2013. The application of the five standards can have significant influence on the consolidated financial reports. That said, the Executive Board has not yet undertaken a detailed analysis of the effects from the application of the new standards. As a result, a quantification of the extent of the effects has not yet occurred.

Unified guidelines with regard to the evaluation of fair value as well as of the associated disclosures are bundled in IFRS 13. The standard defines the concept of fair value, defines a framework for measuring the fair value and prescribes disclosures of evaluation of the fair value. The scope of IFRS 13 is far-reaching and includes both financial and non-financial items. IFRS 13 comes into play – with certain exceptions – whenever another IFRS prescribes or allows the measurement of fair value or whenever disclosures regarding the measurement of fair value are demanded. The disclosure requirements according to IFRS 13 are as a rule more comprehensive than those of the currently applicable standards. For example, the quantitative and qualitative disclosures are extended on the basis of the three-step fair value hierarchy. These are currently required only for financial instruments according to IFRS 7 Financial Instruments: Disclosures and are extended by IFRS 13 to total asset values and debts that lie within the scope of the standard.

IFRS 13 is to be applied for financial years that begin on or after January 1, 2013; an earlier application is permitted.

The Executive Board assumes that IFRS 13 will be applied for the first time in the consolidated financial statements for the financial year beginning January 1, 2013. The application can have an impact on the value notes in the consolidated financial report and lead to extensive disclosures.

In IAS 1 – even after the change to the standard – the option is reserved to show the profit or loss as well as the remaining other earnings in a single comprehensive income statement (one statement approach) or in two statements that are separate from one another but are to be presented sequentially (two statement approach). However, additional disclosure requirements regarding other earnings arise from the changes to the effect that the items are to be listed in two categories: (a) in items that, in the presence of certain requirements, are itemized in the profit and loss accounting and (b) in items that also in the future are no longer gathered with regard to the income statement. According to the same logic, income taxes arising from the items of the other income are also to be divided.

The changes to IAS 1 are to be applied for financial years beginning on or after July 7, 2012. The presentation of items of other earnings is adjusted accordingly upon application of the changes in future periods.

The changes to IAS 12 contain an exception to the ground principle of IAS 12, according to which the evaluation of active and passive deferred taxes should essentially reflect the fiscal effects, which depends on the method (use or divestment) in which the book value of an asset is realized. In particular, in the case of real estate held as investment properties evaluated at fair value according to IAS 40, it is assumed that this value is realized through divestment so long as a refutation of this assumption is not possible in the concrete individual case.

The changes to IAS 12 are to be applied for financial years beginning on or after January 1, 2012. The Executive Board assumes that the application of IAS 12 will have no significant effects on the financial report.

The revision of IAS 19 changes the handling of service-oriented care plans and services from the occasion of the ending of the work relationship. The most important reform regards the financial depiction of changes to service-oriented obligations and to plan assets. The new rule requires the immediate recognition of changes to the service-oriented obligations and the fair value of the plan assets at the time of their occurrence. The "corridor" approach possible according to the long-applicable IAS 19 was abolished. Further, an accelerated recognition of past service cost occurs. Total actuarial profit and loss are to be booked immediately in the year of occurrence in the other total income. Thereby, the net pension liability or the net pension asset shows in the balance the full shortage or surplus.

The changed IAS 19 is to be applied for financial years beginning on or after January 1, 2013. The rules are (apart from exceptions) to be applied retroactively.

The Executive Board assumes that the changed IAS 19 will find application for the first time in the consolidated financial statements of the business year that begins on January 1, 2013. It is further assumed that the application could lead to an adjustment with the service-oriented care plans. That said, the Executive Board has not yet undertaken a detailed analysis of the effects of the application of the changes to IAS 19. Therefore, no quantification of the extent of the effects has occurred yet.

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 off set 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 consolidated 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, 2011 are:

	Share of voting rights
Eckert & Ziegler BEBIG s.a., Seneffe, Belgium ***	79.1 %
Eckert & Ziegler BEBIG GmbH, Berlin *	79.1 %
Isotron Isotopentechnik GmbH, Berlin *	79.1 %
Eckert & Ziegler Iberia S.L.U., Madrid, Spain *	79.1 %
Eckert & Ziegler Italia s.r.l., Milan, Italy *	79.1 %
Eckert & Ziegler BEBIG SARL, Paris, France *	79.1 %
Eckert & Ziegler BEBIG Ltd., London, Great Britain *	79.1 %
Eckert & Ziegler BEBIG Inc., Norcross, USA *	79.1 %
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, Braunschweig	100 %
Eckert & Ziegler Cesio s.r.o., Prag, Czech Republic	80 %
Eckert & Ziegler Radiopharma GmbH, Berlin	100 %
Eckert & Ziegler EUROTOPE GmbH, Berlin *	100 %
Eckert & Ziegler EURO-PET Berlin GmbH, Berlin *	100 %
Eckert & Ziegler f-con Deutschland GmbH, Holzhausen *	77.2 %
Eckert & Ziegler EURO-PET Köln-Bonn GmbH, Bonn *	77.2 %
Eckert & Ziegler EURO-PET Warszawa SP.Z O.O., Warsaw, Poland *	77.2 %
Eckert & Ziegler Nuclitec Inc., Hopkinton, USA	100 %
Eckert & Ziegler Umweltdienste GmbH, Braunschweig	100 %
Kompetenzzentrum für sichere Entsorgung GmbH, Braunschweig	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 doing so does not breach those covenants.

*** As of December 31, 2011, Eckert & Ziegler AG held 79.1 % of the voting rights in Eckert & Ziegler BEBIG s.a., which corresponds to 73.2 % of the dividend-entitled shares.

Changes to the group of consolidated companies

In the Radiation Therapy segment, diverse restructurings occurred in 2011 essentially with the goal of simplifying the organization structure. In particular, the following transactions occurred:

- The following 100 % subsidiaries of Eckert & Ziegler BEBIG GmbH were merged into Eckert & Ziegler BEBIG GmbH:
  a) Sonotech GmbH, Neu-Ulm
  b) IBt. BEBIG GmbH, Berlin
  c) Eckert & Ziegler MMI GmbH, Berlin

- In the course of the merger of Eckert & Ziegler MMI GmbH into Eckert & Ziegler BEBIG GmbH, Eckert & Ziegler Radiotherapy s.a.r.l. was first a subsidiary of Eckert & Ziegler BEBIG GmbH and then dissolved.

- By a decision of the Annual General Meeting on June 6, 2011, the name of International Brachytherapy s.a. was changed to Eckert & Ziegler BEBIG s.a. effective July 1, 2011.

Further changes to the group of consolidated companies in the 2011 financial year:

- Effective January 1, 2011, the business area "Auriga" was transferred from Eckert & Ziegler Nuclitec GmbH to Eckert & Ziegler Radiopharma GmbH in the course of a so-called "carve out."

- In July 2011, Eckert & Ziegler EURO-PET Warszawa was founded as a future production location for the Radiopharma segment in Warsaw (Poland).

- In July 2011, Eckert & Ziegler Radiopharma GmbH acquired the radiopharmaceutical devices section of the American Bioscan, Inc. The purchase is presented in Note 42.

- In November 2011, Eckert & Ziegler EURO-PET Linköping AB was sold. The sale of the business resulted in a loss of EUR 7K.

- In July 2011, Eckert & Ziegler Umweltdienste GmbH was founded as a holding company for the Environmental Services segment.

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 in 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, Eckert & Ziegler BEBIG s.a. (formerly IBt. s.a.) founded the joint venture "NanoBrachyTech" together with Santis Ltd. and the Russian state fund corporation "RUSSNANO". Eckert & Ziegler BEBIG 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, 2011	Dec. 31, 2010	Average rate 2011	Average rate 2010
USA	USD	1.2939	1.3362	1.4032	1.3316
CZ	CZK	25.7870	25.0610	24.7411	25.3797
GB	GBP	0.8553	0.8565	0.8651	0.8525
SK	SEK	8.9120	8.9655	9.0320	9.0708
PL	PLN	4.4772	-	4.4326	-

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

The changes in the group of consolidated companies during the financial years 2011 and 2010 have affected the Group's 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 2011 and 2010, the Group altered estimates in the following areas:

a) Valuation of deferred tax assets on loss carry-forwards (2011 and 2010)

The recoverability of the deferred tax assets on loss carry-forwards was checked as per IAS 12 again in the 2011 and 2010 financial years 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 changed organizational structure as well as the restructuring measures within the Eckert & Ziegler Group.

Radiation Therapy segment: In conjunction with the increasing uncertainty on the world markets and the stronger orientation of the Radiation Therapy segment toward project work (temporary brachytherapy), the uncertainties in the planning of the future business process increase. This was accounted for in 2011 in the form of the shortening of the evaluation period for deferred tax assets on loss carry-forwards from six to five years. Had the company not undertaken this change in evaluation, the loss in the tax income would have been EUR 2,187K less.

Radiopharma segment: In the 2010 financial year, the earnings position in this segment improved significantly. On this basis, as well as considering the restructuring and diversification that had begun, the revised budgets in the 2010 financial year led to an additional capitalization of deferred tax assets on loss carry-forwards of EUR 1,203K. The budgets updated for the 2011 annual financial report confirm the intrinsic value of the deferred tax assets on loss carry-forwards.

b) 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 administration costs, as follows:

	2010	2011	2012	2013	Thereafter
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Increase (reduction) in the depreciation	266	10	10	10	-296

c) 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 systems 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 previous year in the amount of EUR 1,164K as well as corresponding writing back of accrual items in the amount of EUR 276K which were disclosed under the research and development costs.

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 risen again in the financial year 2011 from EUR 111,093K to EUR 116,197K. The gain in 2011 rests, as it did in the previous year, predominantly on organic growth. Revenues in the amount of EUR 1,092K came in 2011 from the radiopharmaceutical device division that was purchased in July 2011 from the American Bioscan Inc.

Revenues are broken down as follows:

	2011	2010
	EUR '000	EUR '000
Revenues from the sale of goods	106,169	96,922
Revenues from the provision of services	7,157	7,207
Revenues from production orders	2,871	4,523
Revenues from licenses and similar rights	0	2,441
Total	116,197	111,093

In the financial years 2011 and 2010, 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 2,417K, the cumulatively disclosed profits EUR 4,415K. The total amount of the advance payments made for a production order in the Radiation Therapy segment is EUR 6,849K; in line with the level of completion, EUR 6,649K are deducted from this amount, resulting in a balance on the liabilities side of EUR 200K, which is disclosed as a liability in the balance sheet.

	2011	2010
	EUR '000	EUR '000
Revenues	2,871	4,523
Order costs	-617	-2,373
Profit	2,254	2,150
Balance on the liabilities side	-200	-2,749

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 27,024K for 2011 and EUR 28,272K for 2010.

9. Selling expenses

Selling expenses are broken down as follows:

	2011	2010
	EUR ´000	EUR ´000
Personnel and employee benefit costs	7,959	7,492
Cost of goods issue	5,109	3,779
Commissions	779	1,919
Depreciation	1,721	1,981
Advertisement	1,447	1,391
Other	2,516	2,367
Total	19,531	18,929

10. General administration costs

General administration costs include:

	2011	2010
	EUR ´000	EUR ´000
Personnel and employee benefit costs	10,275	8,198
Depreciation	1,880	2,455
Consulting expenses	1,794	2,217
Rent	1,411	1,274
Insurance, contributions, fees, purchased services	1,321	1,599
Communication costs	364	354
IR expenses	262	312
Earning from the writing off of accrual items	-121	-248
Other	2,036	2,667
Total	19,222	18,828

11. Research and development costs

Costs for research and development amounted to EUR 2,999K for 2010 and EUR 2,886K for 2010. 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 as well as
- Pro rata overheads of the research and development areas

The costs for research and development of EUR 2,999K (2010: EUR 2,886K) include depreciations and value impairments in the amount of EUR 337K (2010: EUR 1,282K), staff costs in the amount of EUR 2,030K (2010: EUR 1,285K), material costs in the amount of EUR 531K (2010: EUR 601K) and other expenses in the amount of EUR 102K (2010: EUR 143K) as well as income from the writing back of accrual items in the amount of EUR 1K (2010: EUR 425K).

12. Payments to employees and number of employees

The items in the income statement include staff costs in the amount of EUR 36,225K (2010: EUR 31,771K).

The staff costs for the financial years 2011 and 2010 are composed of the following:

	2011	2010
	EUR ´000	EUR ´000
Wages and salaries	31,515	27,245
Social security contributions and expenditure on retirement pensions and on support	4,710	4,526
- of which for retirement pensions	1,978	1,848

On average 547 (2010: 509) persons were employed by Group companies during 2011. They were working in the following departments:

	2011	2010
Production	257	225
R&D/plant engineering	64	59
Administration	72	70
Sales and marketing	122	122
Quality management	32	33
Total	547	509

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 1,978K (2010: EUR 1,848K) entered in the statement of comprehensive income represent the Group's due contributions to the stated pension plans. As of December 31, 2011 or 2010, 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:

	2011		2010	
	Depreciations	Impairments	Depreciations	Impairments
	EUR '000	EUR '000	EUR '000	EUR '000
Cost of sales	1,085	0	1,159	0
Selling expenses	663	0	802	0
General administration costs	798	0	871	0
Research and non-capitalized development expenses	13	0	55	1,164
Other operating expenses	0	0	0	135
Total	2,559	0	2,887	1,299

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

	2011		2010	
	Depreciations	Impairments	Depreciations	Impairments
	EUR '000	EUR '000	EUR '000	EUR '000
Cost of sales	2,488	0	2,830	0
Selling expenses	1,058	0	1,179	0
General administration costs	1,082	0	1,584	0
Research and non-capitalized development expenses	324	0	63	0
Total	4,952	0	5,656	0

14. Other operating income

The other operating income in the 2011 financial year basically includes income from a general contractor agreement with Eckert Beteiligungen 2 GmbH for construction of a new laboratory and executive building at the company headquarters in Berlin-Buch in the amount of EUR 2,278K. Aside from this contract, the position contains, as in the previous year, essentially income from writing back provisions.

15. Other operating expenses

The other operating expenses essentially consists of costs from the above-named general contractor agreement in the amount of EUR 2,192K.

Further included are value impairments of receivables or losses of receivables in the amount of EUR 643K (2010: EUR 1,152K), costs for the development of new business fields in the amount of EUR 275K (2010: EUR 0) as well as losses from the disposal of fixed assets in the amount of EUR 13K (2010: EUR 39K).

In the previous year the other operating expenses essentially included, among other things, expenses in connection with the takeover bid to the shareholders of Eckert & Ziegler BEBIG s.a. in the amount of EUR 106K.

16. Results from shares valued at equity

Eckert & Ziegler BEBIG 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 873K in the 2008 report 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 2,348K within the framework of the interim profit elimination against the at-equity stake value. EUR 390K relate to a value impairment of the at-equity participation as of December 31, 2010.

As of December 31, 2011, the Group has decided to undertake further value impairment in the amount of EUR 108K on the at-equity interest value, so that this equaled EUR 0K as of December 31, 2011. This decision was based on information from the management of the joint venture regarding the position and the prospects of the company at the time. According to that information, in the years 2013 to 2015, the joint venture will periodically require additional financial capital in the amount of up to EUR 2,500K, the financing of which is not yet secured at this time. Although the operative activity of the joint venture is profitable, the interest and loan payments for the loan acquired in the past cannot be covered by the current revenues. In addition, it was not possible in the 2011 financial year to buy or rent an urgently needed building for the installation of the new production line.

Eckert & Ziegler BEBIG s.a. still supplies the joint venture with finished products. Under consideration of the current position and with regard to the interest of Eckert & Ziegler BEBIG s.a. in the Russian market, the company decided in 2011 to grant the joint venture a price discount on the products; however, at the same time, the payment terms were changed to immediate payment. The difference between the originally agreed-upon price and the new price is granted to the joint venture as a loan. The loan debts toward the joint venture come to a nominal value of EUR 1,760K, whereby a loan in the amount of EUR 689K earns interest with 8 % APR and a further loan in the amount of EUR 1,071K with 2.5 % APR. The loans are to be paid in the stated order through December 31, 2014 and 2017, respectively. The Group shows a value for these loans of EUR 1,095K in the balance sheet report as of December 31, 2011.

As a further result of the negotiation, the joint venture has released Eckert & Ziegler BEBIG s.a. from its obligation to update the know-how up to the final acceptance of the equipment it delivers. The agreements were amended to the effect that this obligation is considered fulfilled already with the factory acceptance test that occurred in 2010. From this, sales revenue resulted for the Radiation Therapy segment in 2011 in the amount of EUR 2,549K.

17. Value impairment of financial assets

In the previous year, the value of the loan tendered in 2009 by Eckert & Ziegler BEBIG s.a. to the American firm Core Oncology was impaired by the full amount of EUR 1,402,00 (see also explanations under note 30). No analogous costs existed in the 2011 financial year.

18. Interest earnings

Interest and similar income on financial assets for continued acquisition costs in the financial year amounted to EUR 200K (2010: EUR 299K), while interest expenditures amounted to EUR 2,891K (2010: EUR 2,517K).

The interest expenditure includes EUR 1,678,00 (2010: EUR 860K) resulting from the compounding of non-current liabilities as well as the effect on valuation from interest swaps.

19. Income taxes

The loss carry-forwards essentially concern loss carry-forwards of Eckert & Ziegler BEBIG 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 2011 and 2010 to 30.175 %. The group tax rate is composed as follows:

	2011	2010
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 2011 and 2010, respectively, ending on December 31:

	2011	2010
Earnings before taxes:	EUR ´000	EUR ´000
Germany	4,645	1,636
Foreign subsidiaries	15,585	12,717
	20,230	14,353

	2011	2010
Current taxes:	EUR ´000	EUR ´000
Germany	1,809	1,039
Foreign subsidiaries	3,304	4,267
	5,113	5,306

Of the current taxes in 2011, EUR 72K relate to the previous year (2010: EUR 106).

	2011	2010
Deferred taxes:	EUR ´000	EUR ´000
Germany	282	-1,918
Foreign subsidiaries	3,420	550
	3,702	-1,368
Total taxes:	8,815	3,938

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:

	2011	2010
	EUR ´000	EUR ´000
Basis for determining the tax expenditure (earnings before taxes)	20,230	14,353
Expected tax expenditure based on group tax rate	6,104	4,331
Tax rate differences at subsidiaries	210	347
Taxes for previous years	72	152
Non-deductible expenses	396	611
Tax-free income	-94	-220
Estimate correction on deferred tax assets	2,182	-1,680
Use of previously non-capitalized deferred taxes on loss carry-forwards	-221	-201
Non-capitalized deferred taxes on losses of the financial year	147	431
Other	19	167
Effective tax expenditure	8,815	3,938

To calculate the deferred taxes, the following tax rates were used at the parent company as of December 31, 2011; these rates did not change from December 31, 2010: 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 3,156K (2010: EUR 685K) as well as deferred tax income of EUR 92K (2010: EUR 2,048K), whereas deferred tax income in the amount of EUR 638K (2010: EUR 25K) relate to temporary differences. Increases in the deferred taxes on temporary differences in the amount of EUR 32K (2010: reductions of EUR 20K) result from the currency translations.

In the period under review EUR 191K in deferred tax income (2010: 69K in deferred tax expenses) was offset directly in the shareholders' equity, not affecting net income.

In the previous year's balance sheet, deferred tax liabilities of EUR 323K were set in the context of the adaptation of the initial consolidation of Sonotech GmbH, which were balanced with deferred tax assets.

In total, EUR 8,253K (2010: EUR 11,317K) in deferred taxes were capitalized on tax loss carry-forwards. The tax loss carry-forwards existing as of December 31, 2011 are capable of being carried forward in full. Deferred tax assets in the amount of EUR 1,336K (2010: EUR 2,480K) relate to companies that still suffered a loss under fiscal law in 2011.

The estimate corrections on deferred taxes essentially affect the circumstances in the Radiation Therapy segment (2011) and in the Radiopharma segment (2010) presented in note 6 "Changes to Estimates."

In the financial year 2011, loss carry-forwards were used in the amount of EUR 221K (2010: EUR 201K) for which, as of December 31 of the respective previous year, no deferred tax assets for loss carry-forwards were appointed. The amount of the deferred tax assets on loss carry forwards that were not recognized in the balance sheet as of December 31, 2011, is EUR 3,868K (2010: EUR 431K).
No deferred tax liabilities were formed for temporary differences from retained revenues from subsidiaries in the

amount of EUR 15,286K (2010: EUR 10,093K), since Eckert & Ziegler AG is in the position to control the progress of the reversal and since the temporary differences will not be reversed in the foreseeable future.

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	
	2011	2010	**2011**	2010
	EUR ´000	EUR ´000	EUR ´000	EUR ´000
Tax loss carry-forwards	**8,253**	11,317	**0**	0
Fixed assets	**149**	306	**5,053**	3,999
Securities	**0**	0	**1**	1
Receivables	**194**	98	**422**	354
Liabilities	**253**	0	**0**	221
Inventories	**272**	0	**42**	0
Provisions	**3,782**	4,121	**0**	0
Other	**318**	41	**13**	74
Subtotal	**13,221**	15,883	**5,531**	4,649
Balancing	**-3,718**	-4,002	**-3,718**	-4,002
Balance according to the group balance sheet	**9,503**	11,881	**1,813**	647

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, but corresponding provisions for these 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 997K (2010: EUR 1,002K).

21. Earnings per share

The earnings per individual share certificate were calculated as follows:

	At year end	
	2011	2010
	EUR ´000	EUR ´000
Numerator for calculation of the profit and the diluted profit per share - earnings share of the shareholders of Eckert & Ziegler	**10,418**	9,413
Denominator for calculation of the profit per share - weighted average of the number of shares (in thousands)	**5,274**	5,194
Effect of diluted stock options	**0**	14
Denominator for calculation of the diluted profit per share - weighted average of the number of shares (in thousands)	**5,274**	5,208
Undiluted profit per share (in EUR)	**1.98**	1.81
Diluted profit per share (in EUR)	**1.98**	1.81

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 in the previous year when calculating the diluted earnings per share, as the effect of this has a secondary significance in the 2010 financial year.

Notes on the group balance sheet

Adjustment of the previous year's amounts:

In the financial year 2011, the purchase price allocation of the acquisition of Sonotech GmbH, which occurred in the previous year, was finalized. The following changes thereby arose compared to the statement in the previous year's financial statement, which affect only the long-term assets:

	Published balance 2010	Change from the final purchase price allocation	Revised balance 2010
	EUR ´000	EUR ´000	EUR ´000
Goodwill	30,410	-748	29,662
Other intangible assets	10,475	+1,071	11,546
Property, facilities and equipment	27,602	0	27,602
Finance instruments evaluated according to the at-equity method	108	0	108
Deferred tax assets	12,204	-323	11,881
Other long-term assets	1,220	0	1,220
Long-term assets, total	82,019	0	82,019

Because the acquisition of the company took place with effect from December 31, 2010, the changes due to the purchase price allocation have no effect on the income statement of the previous year. The acquisition of the company is presented in note 42.

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.

a) Intangible assets that are not subject to any scheduled depreciation

The intangible assets that are not subject to any scheduled depreciation relate exclusively to the goodwill.

The position goodwill developed in the financial years 2011 and 2010 as follows:

	2011	2010
	EUR ´000	EUR ´000
State as of January 1	29,662	27,669
Accruals	1,173	1,407
Value impairments	0	-135
Currency translation differences	417	721
State as of December 31	31,252	29,662

The increase in the intangible assets with indefinite useful life is essentially due to the addition of goodwill in the Radiopharma segment in connection with the acquisition of the radiopharmaceutical device portion of the American firm Biotech Inc. by Eckert & Ziegler Radiopharma GmbH, which occurred in July 2011. (See also explanations under note 42.)

In the previous year, the increase rested mainly on the addition of goodwill in the Radiation Therapy segment in connection with the acquisition of Sonotech GmbH, which occurred in December 2010. The final allocation of the balance to the assets and liabilities to be identified and thereby the final determination of the amount of the goodwill occurred in the 2011 business year. The final goodwill amount on December 31, 2010, was EUR 1,407K (EUR 2,155K had been set temporarily). (See also explanations under note 42.)

The revaluation of the US dollar as of December 31, 2011, compared to December 31, 2010, 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.

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

	2011	2010
	Goodwill	Goodwill
	EUR ´000	EUR ´000
Radiation Therapy	12,148	12,148
Isotope Products	16,655	16,337
Radiopharma	2,449	1,177
As of December 31	31,252	29,662

The capitalized goodwill was subjected to an impairment test in the financial year 2011 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. In the Isotope Products and Radiation Therapy segments, they correspond to the respective segment. Two cash-generating units were identified in the Radiopharma segment.

The utility values of the cash-generating units 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 % to 3 %). The discounting rate before taxes for the Radiation Therapy and Radiopharma segments amounted to 11.6 % and 6.5 %, respectively (previous year: both 6.5 %) and to 10 % (previous year: 10 %) for the Isotope Products segment (see also the explanations under note 3 on this).

As a result of the impairment test, as of December 31, 2011, no need for impairment was derived with regard to the goodwill by using the respectively determined attainable amounts as a basis (previous year: impairment needed in the amount of EUR 135K).

The impairment test for the goodwill of the Isotope Products segment leads to the result that conceivable potential changes in the essential assumptions do not have the result that the book value of the goodwill could exceed the achievable value.

For the impairment test of the goodwill of the Radiation Therapy segment, a scenario analysis was carried out that has the following results:

Change compared to the basis scenario	Basis scenario	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Change sales revenue	0 %	- 5 %	- 10 %	0 %	0 %	- 10 %
Change manufacturing costs	0 %	- 4 %	- 8 %	0 %	0 %	- 8 %
Change WACC	0 %	0 %	0 %	+ 2 %	+ 4 %	+ 3 %
cumulative sales revenues over 5 years	100 %	95 %	90 %	100 %	100 %	90 %
cumulative EBIT over 5 years	100 %	82 %	64 %	100 %	100 %	64 %
cumulative FCF over 5 years	100 %	83 %	67 %	100 %	100 %	67 %
Determined company value	100 %	86 %	72 %	82 %	69 %	53 %
Determined company value (share EZAG) in relation to book value	1.51	1.30	1.08	1.24	1.04	0.80
Need for value impairment	no	no	no	no	no	yes

b) Intangible assets that are depreciated as scheduled are composed as follows as of December 31 of the financial years 2011 and 2010:

(1) Acquired intangible assets

	2011	Remaining depreciation period	2010
	EUR '000		EUR '000
Customer relationships	6,110	3-10 years	6,467
Licenses/software/permits	2,344	1-8 years	1,631
Patents/technologies	2,023	3-15 years	2,196
Other	435	1-8 years	284
Bans on competition	0		11
As of Dec. 31	10,912		10,589

(2) Self-constructed intangible assets

	2011	Remaining depreciation period	2010
	EUR '000		EUR '000
Capitalized development costs (ongoing projects)	1,916		176
Equipment for the radiopharmaceutical synthesis	367	1 year	752
Other	151	5 years	29
As of Dec. 31	2,434		957

Development costs totaling EUR 1,477K (2010: EUR 103K) were capitalized in the financial year 2011. Impairment tests were carried out for development projects not yet completed on the balance date, which confirmed the intrinsic value of the respective capitalized amounts.

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 in the previous year.

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, 2011, is presented in the fixed asset movement schedule.

23. Property, facilities and equipment

The movements of the property, facilities and equipment from January 1 to December 31, 2011, are shown in the fixed asset movement schedule.

Assets connected to financing leasing contracts are included in the accounted property, facilities and equipment. Net book values of assets accounted for as financing leasing amount as of December 31, 2011, to EUR 401K (2010: EUR 926K).

In addition to current replacement investments, the additions during financial year 2011 mainly concern expanding and modernizing existing production plants.

Assets from the property, facilities and equipment in the amount of EUR 1,187K (2010: EUR 1,899K) 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, Eckert & Ziegler BEBIG s.a. founded the joint venture "NanoBrachyTech" together with Santis LLC and the Russian state fund "RUSSNANO." Eckert & Ziegler BEBIG s.a. contributed intangible assets to the joint venture and received in return a share of 15 % in the Joint Venture "NanoBrachyTech." The share valuated at-equity of Eckert & Ziegler BEBIG s.a. in the joint venture amounted as of December 31, 2011, to EUR 0 (2010: EUR 108K). The fall in the share valuated at-equity in the financial year 2011 is due to a value impairment in the amount of EUR 108K (see also explanations under note 16).

In the absence of availability of a conclusion of the joint venture company as of December 31, 2011, no reliable disclosure of financial data of the joint venture can be made.

25. Other non-current assets

Other non-current assets include among others a receivable regarding the joint venture "NanoBrachyTech" in the amount of EUR 1,095K (2010: EUR 0K). This receivable results from the conversion of trade receivables into two long-term loans from Eckert & Ziegler BEBIG s.a. to the joint venture. The loans have a nominal value of EUR 689K (agreed-upon interest rate 8 % APR; to be repaid by December 31, 2014) and a nominal value of EUR 1,071K (agreed-upon interest rate 2.5 %; to be repaid by December 31, 2017).

The other non-current assets also include a payment from a customer to a bank account of a Group company in the amount of EUR 300K (2010: EUR 300K). This serves as security for the fulfillment of a long-term disposal obligation of the customer for a production system that is in an operating location of the Group but is the property of the customer. This capital is currently not available, because it can be used only in the event of non-compliance of the customer with its contractually obligated disposal requirement.

Aside from these, the position includes assets paid into a decontamination fund in the amount of EUR 55K (2010: EUR 42K). 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.

In the previous year, an interest-currency swap in the amount of EUR 477K was also disclosed under other non-current assets.

26. Cash and cash equivalents

The cash and cash equivalents in the amount of EUR 32,304K (2010: EUR 29,216K) 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.

27. Securities

The securities are all classified as available-for-sale financial assets. The composition of the securities as of December 31, 2011 and 2010, can be seen as follows:

31.12.2011

	Acquisition costs	Unrealized profits	Unrealized losses	Fair Value
	EUR ´000	EUR ´000	EUR ´000	EUR ´000
Investment funds	19	3	0	22
Total securities of the current assets	19	3	0	22

31.12.2010

	Acquisition costs	Unrealized profits	Unrealized losses	Fair Value
	EUR ´000	EUR ´000	EUR ´000	EUR ´000
Investment funds	220	4	0	224
Total securities of the current assets	220	4	0	224

The fair value of securities is determined by quoted prices. The major part of securities disclosed in the previous year was sold in the period under review.

28. Trade receivables

The trade receivables are composed as follows as of December 31, 2011 or 2010:

	2011	2010
	EUR '000	EUR '000
Trade receivables	19,525	18,747
Less value adjustments	-1,432	-1,495
As of Dec. 31	18,093	17,252

Of the receivables EUR 0 (2010: EUR 223K) relate to receivables from production orders accounted in line with the "Percentage of Completion" method.

29. Inventories

The inventories are composed as follows as of December 31, 2011 or 2010:

	2011	2010
	EUR '000	EUR '000
Raw materials, consumables and supplies	9,600	8,417
Finished products	3,852	3,910
Unfinished products	1,272	885
	14,724	13,212
Less value impairment	-510	-534
As of Dec. 31	14,214	12,678

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 24K (2010: EUR 159K).

30. Other current assets

The other current assets items in the amount of EUR 4,674K (2010: EUR 3,078K) include, in addition to tax prepayments made in the amount of EUR 2,335K (2010: EUR 1,177K) and a receivable from a general contractor agreement regarding Eckert Beteiligungen 2 GmbH in the amount of EUR 909K (2010: EUR 0), primarily cost accruals, prepayments made, and sales tax receivables against revenue authorities.

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 19, 2011, the balance sheet profit under commercial law of Eckert & Ziegler AG as of December 31, 2010, in the amount of EUR 3,176K was used in the amount of EUR 3,173K to distribute a dividend of EUR 0.60 per bearer share which is entitled to a dividend and transferred to the other retained earnings in the amount of EUR 3K.

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 31K.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, 2011, amounts to EUR 5,292,983.00 and is divided into 5,292,983 non-par value owner bearer shares and paid in full. The number of shares in circulation (without consideration of the own shares) as of December 31, 2011, is 5,288,165.

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 of Eckert & Ziegler AG that are based on German commercial law. The Annual General Meeting has been asked to pay the shareholders a dividend of EUR 3,173K (EUR 0.60 per share) from the balance sheet profit of 2011 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 1,000K by issuing up to 1,000K 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 300K, divided into a maximum of 300K 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 September 2011, Eckert & Ziegler AG announced by publication in the company register that FPM Funds SICAV Luxembourg, Luxembourg, informed it according to Section 21 Par. 1 WpHG [Securities Trading Act] on September 23, 2011, 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 September 20, 2011 and on this day it amounted to 2.987 % (this corresponds with 158,100 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 previous year, EUR 204K 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 -1,269K (2010: EUR -2,187K) resulting from translating financial statements from the foreign subsidiaries. Movements in 2011 and 2010 essentially affected the American subsidiaries. Also included in the reserves are value changes of the available-for-sale securities (after tax) amounting to EUR 2K (2010: EUR 3K) 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 -417K (2010: EUR -1K) that are to be recorded in the shareholder's equity.

Own shares

Through a resolution by the Annual General Meeting on May 20, 2010, the Executive Board is empowered until November 19, 2015, to acquire own shares for other purposes than security handling up to a proportion 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 own shares of the company that the company had already purchased, still owns or is apportioned according to §§ 71a ff. AktG (German Companies Law). The Executive Board was further 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.
- The shares can be used to fulfill company obligations from conversion rights or conversion obligations from convertible bonds issued by the company.

In March 2003, the Executive Board exercised the authority invested in it in previous years and acquired a total of 320K 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 fi nanced 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 Eckert & Ziegler BEBIG 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 2008 by appropriating EUR 566K to the capital reserve for own shares not affecting net income. In March 2011, the option was exercised and 66,667 shares from the balance of own shares were transferred to SMI Steglitz MedInvest UG.

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 951K (2009: EUR 208K) 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 4,818 shares as of December 31, 2011. This equates to a share of 0.1 % of the Company's nominal capital.

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

The number of shares in circulation developed as follows in the financial years 2011 and 2010:

	2011	2010
	Item	Item
As of Jan. 1	5,221,498	5,135,048
Capital increased from the contingent capital	0	32,700
Use of own shares for servicing of employee options or for acquisitions	0	33,750
Sale of own shares	66,667	20,000
As of Dec. 31	5,288,165	5,221,498

32. Borrowings and financial leasing liabilities

Borrowing and financial leasing liabilities are composed as follows as of December 31 of the financial years 2011 and 2010:

	2011	2010
	EUR '000	EUR '000
Loan liabilities to banks	16,954	19,765
Leasing liabilities	334	849
Other loan liabilities	701	1,189
Loan and leasing liabilities as of Dec. 31, total	17,989	21,803
- Thereof short-term	5,099	5,794
- Thereof long-term	12,890	16,009

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

		2011	2010
	Interest rate p.a.	EUR '000	EUR '000
Loan from Deutsche Bank AG	3M EURIBOR + 2,4 %	5,363	7,013
Loan from Deutsche Industrie Bank AG (IKB) (ERP innovation program)	4.75 % to 4.85 %	4,062	4,479
Loan from Deutsche Bank AG	4,45 %	1,263	1,895
Loan from Commerzbank AG (Reconstruction Loan Corporation global loan)	4,27 %	880	1,320
Loan from Commerzbank AG (Reconstruction Loan Corporation global loan)	6,10 %	1,007	1,333
Loan from Commerzbank AG	4,90 %	773	1,123
Loan from Commerzbank AG	4,65 %	1,932	0
Leasing liabilities		334	849
Loan from Credit Agricole	5,00 %	648	782
Loan from previous shareholders from the takeover of shares	0 % to 7.5 %	117	287
Loan from affiliated persons	6,50 %	280	556
Loan from Comerica Bank (USA)	Libor + 2,50 %	193	374
Loan from Comerica Bank (USA)	Libor + 2,75 %	114	205
Other loans	0 % to 6 %	1,022	1,589
Loan liabilities as of Dec. 31, total		17,989	21,803

In the 2011 financial year the borrowings and financial leasing liabilities decreased significantly compared to the previous year. The decrease is essentially due to the planned repayment of the existing loans, while new loans were received only in a small scope in connection with the purchase of the radiopharmaceutical device portion of the American Bioscan, Inc. by Eckert & Ziegler Radiopharma GmbH.

For that purpose, a loan from Commerzbank AG in the amount of USD 2,500K was taken out. The loan has a term until June 30, 2018, and is to be repaid beginning from September 30, 2013, in quarterly installments of USD 125K.

In May 2010 Eckert & Ziegler AG took out a loan of the Deutsche Bank AG in the amount of EUR 8,250K 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 412K. 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.

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 3,000K in January 2009. The loan has a term until December 31, 2013, and will be repaid in quarterly installments of EUR 158K.

Eckert & Ziegler AG also took a loan from Commerzbank AG in the amount of USD 2,000K 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 125K until December 31, 2013.

In 2009 the loan from Deutsche Industriebank AG (IKB) (participating loan) was redeemed in full in the original amount of EUR 2,812K 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 2,000K with a term until September 30, 2014. The loan will be repaid in constantly equal quarterly installments (including interest) in the amount of EUR 100K.

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 2,200K 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 110K 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 307K to Eckert & Ziegler Isotope Products, Inc. (IPL) are collateralized by a collateral assignment of property, facilities and equipment of IPL.

IPL has the promise of a bank for a credit line of up to USD 4,000K (EUR 3,091K). Part of the credit line exists in the form of a guarantee of USD 2,657K (EUR 2,053K), 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 3,702K, of which EUR 702K were used for guarantees.

The Radiation Therapy segment has credit line promises of EUR 2,550K, of which EUR 335K were used for guarantees.

The residual terms of the loan and leasing liabilities were composed as follows as of December 31, 2011 and 2010:

	2011	2010
	EUR '000	EUR '000
Residual term up to 1 year	5,099	5,794
Residual term >1 to 5 years	12,310	15,907
Residual term more than 5 years	580	102
Loan liabilities as of Dec. 31, total	17,989	21,803

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:

	2011	2010
	EUR ´000	EUR ´000
Deferred short-term grants	229	416
Other prepaid and deferred expenses	0	120
Deferrals from grants and other prepaid and deferred expenses, short-term	229	536
Deferred long-term grants	999	584
As of Dec. 31	1,228	1,120

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 2009. 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, 2011, by Mercer Deutschland GmbH and Allianz Lebensversicherung AG, respectively.

The most important assumptions underlying the actuarial value are:

	2011	2010
	%	%
Discounting rate(s)	4,5 resp. 4,7	5,1 resp. 5,3
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
Expected percentual inflation rate	2,00	2,00

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

	2011	2010
	EUR ´000	EUR ´000
Cash values of the performance-oriented pension entitlements	7,149	6,238
Plan assets at fair value	-333	-325
Pension provisions as of Dec. 31	6,816	5,913

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

	2011	2010
	EUR ´000	EUR ´000
Pension provisions as of Jan. 1	5,913	5,707
Expenditure for pension obligations	479	590
Actuarial profits (-) and losses (+)	635	-220
Disbursements from plan assets	17	23
Expected income from plan assets	-24	-9
Pension payments	-204	-178
Pension provisions as of Dec. 31	6,816	5,913

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

	2011	2010
	EUR ´000	EUR ´000
Service period cost	155	277
Interest paid	325	313
Expected income from plan assets	-10	-9
Total of the entered amounts	470	581

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

	2011	2010
	EUR ´000	EUR ´000
Cumulative actuarial profits (-)/losses (+) on Jan. 1	-2	218
Addition/disposal	635	-220
Cumulative actuarial profits (-)/losses (+) on Dec. 31	633	-2

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:

	2011 EUR '000	2010 EUR '000
Starting balance of plan assets according to fair value	325	322
Expected income from plan assets	10	9
Actuarial profit	15	17
Disbursements from the plan assets	-17	-23
Ending balance of plan assets according to fair value	333	325

Pension payments in the amount of EUR 403K are expected for the financial year 2012.

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

	2011 EUR '000	2010 EUR '000	2009 EUR '000	2008 EUR '000	2007 EUR '000
Defined benefit obligation	7,149	6,238	6,029	420	384
Plan assets	333	325	322	0	302
Funded status	-6,816	-5,913	-5,707	-420	-82

Pension plans further exist for two current 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 111K in the 2011 financial year (2010: EUR 111K). 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 2011 and 2010.

	2011 EUR '000	2010 EUR '000
Provisions for environmental restoration	12,638	10,877
Other provisions	7,005	6,964
Other provisions as of Dec. 31	19,643	17,841

The environmental restoration provisions include expected expenses for the disposal of the production plants and developed as follows in the financial years 2011 and 2010:

	2011 EUR '000	2010 EUR '000
Provisions for environmental restoration as of Jan. 1	10,877	10,378
Additions/disposals	1,354	47
Compounding	347	312
Currency translation	60	140
Provisions for environmental restoration as of Dec. 31	12,638	10,877

For valuation of environmental restoration provisions in 2011, 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 0.7 % and 4.4 %. Retaining the previous year's interest rates of 1.8 % to 4.0 % would have resulted in a provision for environmental restoration that was EUR 1,111K 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 55K (2010: EUR 42K).

The other provisions as of December 31, 2011, 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 6,681K (2010: EUR 6,735K).

36. Other non-current liabilities

The item other non-current liabilities essentially includes three interest swaps to the amount of EUR 699K (2010: EUR 126K). 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. The part of these interest swaps likely due in the short term, in the amount of EUR 137K (2010: EUR 0), is disclosed under other current liabilities.

The other non-current liabilities also include a liability regarding Bioscan Inc. in the amount of EUR 487K, which resulted from an earn-out agreement in connection with the purchase of the radiopharmaceutical device division of Bioscan Inc. by Eckert & Ziegler Radiopharma GmbH. The final amount of the liability depends on the sales revenues achieved in the future with the corresponding products. At present, the value is based on the sales predicted in the scope of the corporate planning. The payment potentially due in the next year from this earn-out agreement, in the amount of EUR 439K, is disclosed in the balance sheet under the other current liabilities.

In the previous year, the liability relating to the acquisition of further voting stock in IBt s.a., amounting to EUR 677K, was also disclosed under the other non-current liabilities.

37. Other current liabilities

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

	2011	2010
	EUR ´000	EUR ´000
Liabilities from wages and salaries	4,192	3,973
Liabilities in the context of social security	334	391
Liabilities due to tax authorities	481	719
Liabilities from other deferrals	2,874	4,528
Liabilities from the disposal of radioactive materials	3,168	2,944
Other liabilities	3,384	1,056
As of Dec. 31	14,433	13,611

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:

	2011	2010
	EUR ´000	EUR ´000
Financial assets		
Cash and cash equivalents	32,304	29,216
Financial assets available for sale	22	224
Receivables	18,495	17,684
Derivative financial instruments	0	477
As of Dec. 31	50,821	47,601
Financial liabilities		
Financial liabilities at updated acquisition costs	37,731	39,737
Derivative financial instruments	836	126
As of Dec. 31	38,567	39,863

Disclosed under the item financial assets held for sale are the securities. The company holds a money market fund as of December 31, 2011. This security is traded on the stock exchange. The values are available daily.

Disclosed under the item derivative financial instruments are the interest swaps accounted at the fair value and affecting net income. 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		2011 EUR ´000	2010 EUR ´000
Trade receivables	Short-term	18,093	17,252
Receivables due from related parties and companies	Short-term	0	0
Loan receivables	Short-term	0	0
Receivables from rights of recourse	Long-term	0	0
Other receivables	Long-term/ short term	402	432
As of Dec. 31		18,495	17,684

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

Loans at updated acquisition costs		2011 EUR ´000	2010 EUR ´000
Loan liabilities	Short-term	4,648	5,262
Loan liabilities	Long-term	12,801	15,692
Financial leasing liabilities	Short-term	246	532
Financial leasing liabilities	Long-term	89	317
Trade liabilities	Short-term	5,308	4,323
Liabilities owed to personnel	Short-term	4,956	4,364
Other liabilities	Short-term	9,683	9,247
As of Dec. 31		37,731	39,737

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.

	2011		2010	
	Fair value EUR ´000	Book value EUR ´000	Fair value EUR ´000	Book value EUR ´000
Financial assets valuated at acquisition costs or updated acquisition costs				
Cash and cash equivalents	32,304	32,304	29,216	29,216
Trade receivables and other receivables	18,495	18,495	17,684	17,684
Other non-derivative financial assets	22	22	224	224
As of Dec. 31	50,821	50,821	47,124	47,124
Financial liabilities valuated at acquisition costs or updated acquisition costs				
Trade liabilities	5,308	5,308	4,323	4,323
Liabilities due to banks and other financial debts	17,493	17,449	21,177	20,954
Liabilities from financing leasing	328	335	831	849
Other non-derivative financial liabilities	14,639	14,639	13,611	13,611
As of Dec. 31	37,768	37,731	39,942	39,737

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.

	2011	2010
	EUR ´000	EUR ´000
Receivables / loans	-752	-1,285
Valuated at the fair value affecting net income	0	-302
Financial assets available for sale	0	-2
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 that are valuated at fair value can be classified into the following valuation hierarchy:

	Level 1	Level 2	Level 3	Total
	EUR ´000	EUR ´000	EUR ´000	EUR ´000
Financial assets, valuated at the fair value				
Financial assets available for sale	22	0	0	22
Derivative financial instruments	0	0	0	0
As of Dec. 31, 2011	22	0	0	22
Financial liabilities, valuated at the fair value				
Derivative financial instruments	0	-836	0	-836
As of Dec. 31, 2011	0	-836	0	-836

	Level 1	Level 2	Level 3	Total
	EUR ´000	EUR ´000	EUR ´000	EUR ´000
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 assets, valuated at the fair value				
Derivative financial instruments	0	-126	0	-126
As of Dec. 31, 2010	224	351	0	575

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 obtained for new customers as a matter of principle 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 18,495K (2010: EUR 21,774K).

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:

	2011	2010
	EUR ´000	EUR ´000
Europe	11,534	11,226
North America	3,483	3,936
Other	3,076	2,090
As of Dec. 31	18,093	17,252

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

	2011	2010
	EUR ´000	EUR ´000
1 to 90 days	7,080	5,934
over 90 days	2,348	2,134
	9,428	8,068

The overdue yet 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:

	2011	2010
	EUR ´000	EUR ´000
As of January 1	1,495	742
Net transfers	967	769
Addition from the acquisition of consolidated companies	0	80
Recourse	-752	-111
Exchange rate effects	-8	15
As of Dec. 31	1,702	1,495

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, 2011, Eckert & Ziegler AG and its subsidiaries have at their disposal credit lines amounting to EUR 10,116K (2010: EUR 7,362K) 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 the financial covenants were upheld and no loans and no credit lines were terminated by creditors in the 2011 financial year.

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:

Analysis of the contractually agreed due dates		Book value		Cash outflow		
31.12.2011			Total	Up to 1 year	1 to 5 years	More than 5 years
		EUR ´000	EUR ´000	EUR ´000	EUR ´000	EUR ´000
Loan liabilities	Fixed-interest bearing	11,499	12,582	3,383	8,575	624
Loan liabilities	Variable interest rates	5,950	6,311	2,286	4,025	0
Financing leasing liabilities	Fixed-interest bearing	335	352	261	91	0
Trade liabilities	Non-interest bearing	5,308	5,308	5,308	0	0
Liabilities due to personnel	Non-interest bearing	4,956	4,956	4,956	0	0
Other liabilities	Non-interest bearing	9,683	9,683	9,683	0	0
Derivative financial liabilities		0	0	0	0	0
As of Dec. 31		37,731	39,192	25,877	12,691	624

Analysis of the contractually agreed due dates		Book value		Cash outflow		
31.12.2010			Total	Up to 1 year	1 to 5 years	More than 5 years
		EUR ´000	EUR ´000	EUR ´000	EUR ´000	EUR ´000
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

The cash outflows for the variable interest bearing liabilities are based upon an interest rate in 2011 of 2.9 % (2010: 3.2 %).

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 were partly hedged by an interest-currency swap until January 31, 2011.

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						31.12.2011						31.12.2010
in EUR ´000	USD	CAD	GBP	CHF	PLN	SEK	USD	CAD	GBP	CHF	PLN	SEK
Currency	2,010	0	295	168	464	12	1,226	0	158	95	99	12
Trade receivables	431	0	182	12	289	0	1,055	25	0	12	335	0
Trade liabilities	-1,178	0	-41	-11	-14	0	-310	0	-3	-6		0
Balance sheet exposure	1,263	0	436	169	739	12	1,971	25	155	101	434	12
Contractual payment obligation from interest-currency swap	0	0	0	0	0	0	-1,083	0	0	0	0	0
Net exposure	1,263	0	436	169	739	12	888	25	155	101	434	12

Sensitivity analysis

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

Effect in EUR ´000					31.12.2011							31.12.2010
	USD	CAD	GBP	CHF	PLN	SEK	USD	CAD	GBP	CHF	PLN	SEK
Aggregate results	-126	0	-44	-17	-74	-1	-89	-3	-16	-10	-43	-1

A reduction in the Euro by 10 % compared with the currencies listed above would as of key date of the financial statements led to an equal but opposite 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 2,000K 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 limit 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 6,250K was hedged, which is respectively reduced as of the end of the quarter by EUR 412K. 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.

A further interest swap to limit the risk of interest rate changes for loans with variable interest rates was concluded in February 2011. This swap has a term of 10 years; a purchase amount of EUR 8,000K was hedged, which is respectively reduced at the end of the quarter by EUR 250K beginning December 31, 2013. Eckert & Ziegler AG pays a fixed interest of 3.21 % quarterly on the respective purchase amount and receives in return for this variable 3-month EURIBOR interest rate on the respective purchase amount.

The fair value of these swap transactions as of December 31, 2011, is EUR -836K (2010: EUR -126K) 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	2011	2010
	EUR ´000	EUR ´000
Interest-bearing financial assets	22	701
Thereof variable-interest	22	224
Thereof fixed-interest	0	477
Interest-bearing financial liabilities	17,784	21,788
Thereof variable-interest	5,950	7,013
Thereof fixed-interest	11,834	14,775

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

Three interest rate swaps EUR -836K (2010: EUR -126K) are 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 decrease in the fair values and hence the period result by EUR 607K (2010: EUR 324K). An increase in the market interest rate by 100 base points would have resulted in an increase in the fair values and/or the period result by EUR 567K (2010: EUR 55K).

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 for variable-interest financial instruments

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 EUR ´000	2011		2010	
	+ 100 base points	- 100 base points	+ 100 base points	- 100 base points
Interest results for variable-interest financial instruments	508	-548	-74	74

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:

	2008	2009	2010	2011
Group as a whole	11 %	20 %	20 %	28 %
Isotope Products	45 %	42 %	61 %	80 %
Radiation Therapy	1 %	12 %	7 %	8 %
Radiopharma	1 %	7 %	10 %	24 %
Environmental Services			N.A.	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 2011.

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, facilities and equipment and securities from the current assets that do not form part of the liquid funds.

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 the radiopharmaceutical device division of Bioscan Inc. in financial year 2011

In July 2011, Eckert & Ziegler Radiopharma GmbH purchased the radiopharmaceutical device division of the American firm Bioscan Inc., Washington D.C., USA. The purchase price for the business area was USD 2,000K plus an agreed-upon earn-out that depends on the sales revenues achieved with the purchased products in the future.

In detail, the purchase appears as follows:

	Book value at the time of purchase	Revaluation	Current value at the time of purchase
	USD ´000	USD ´000	USD ´000
Raw materials, consumables and operating supplies	278		278
Finished products	256	-34	222
Property, facilities and equipment assets	5		5
Immaterial assets (technology, customer base)	0	1,110	1,110
Net assets	539	1,076	1,615
Purchase price	-2,000		-2,000
Contingent purchase price liability	-1,260		-1,260
Goodwill	**2,721**	**1,076**	**1,645**

Since the time of the initial consolidation, sales revenues in the amount of EUR 1,092K and a profit of EUR 22K are included in the consolidated financial statements.

b) Acquisition of Sonotech GmbH in 2010

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

The purchase was depicted in the consolidated financial statements in accordance with the acquisition method. The purchase price distribution was carried out in 2010 at first temporarily, whereby a temporary goodwill in the amount of EUR 2,155K arose. The final distribution of the purchase price then occurred in the 2011 financial year. On the basis of the assessed fair value of the assets, the following purchase price distribution arises:

	Book value at the time of purchase	Revaluation	Current value at the time of purchase
	EUR ´000	EUR ´000	EUR ´000
Assets			
Intangible assets	0	1,071	1,071
Property, facilities and equipment	3		3
Receivables	45	0	45
Other assets	15	0	15
Balances at banks and cash on hand	556		556
Liabilities			
Provisions and non-current liabilities	-31	0	-31
Other current liabilities	-83	0	-83
Income tax liabilities	-160		-160
Deferred tax liabilities	0	-323	-323
Net assets	345	748	1,093
Purchase price of the acquisition of the company			2,500
Goodwill			1,407

With the acquisition of Sonotech GmbH liquid funds were taken over in the amount of EUR 556K, so that the net cash flow of the transaction was EUR 1,944K. The book value of the acquired net assets amounted to EUR 345K before the merger. The profit of Sonotech GmbH included in the 2010 consolidated financial statements was EUR 0.

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; the last possible date was 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 July 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:

	2011		2010	
	Options	Weighted average effective price	Options	Weighted average effective price
	Number	EUR	Number	EUR
Outstanding at the beginning of the year	0	0.00	32.700	7.24
Issued	0	0.00	0	0.00
Exercised	0	0.00	32.700	7.24
Lapsed	0	0.00	0	0.00
Outstanding at the end of the year	0	0.00	0	0.00
Can be exercised at the end of the year	0	0.00	0	0.00

In 2010, 32,700 stock options were exercised. The weighted average share price on the dates on which share options were exercised was EUR 21.73.

There were no more outstanding stock options as of December 31, 2011.

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 2011 and 2010 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 2011 and 2010 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 2011 and 2010 financial years, each ending on December 31, rental and leasing expenditure for operational leasing agreements amounted to EUR 3,063K and EUR 2,908K, 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 167K, of which EUR 89K 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, 2011:

	Rental and leasing agreements	thereof financing leasing	Cash values of the financing leasing
	EUR ´000	EUR ´000	EUR ´000
As of the end of the respective year (December 31)			
2012	1,356	261	246
2013	739	91	83
2014	246	0	0
2015	128	0	0
2016	9	0	0
thereafter	0	0	0
Minimum rental or leasing payments, total	2,478	352	329

The finance leases exclusively concern property, facilities and equipment. The book value of the assets on December 31, 2011 was EUR 401K (2010: EUR 926K). In the period under review, EUR 219K (2010: EUR 425K) 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

Commitments in the amount of about EUR 5 million from the general contractor agreement for the new building in Berlin-Buch exist as of December 31, 2011. This will be realized in the 2012 financial year.

46. Segment reporting

The Group has applied "IFRS 8 operating segments" effective from January 01, 2009. According to IFRS 8, operating segments must be separated from group areas based on internal reporting, which is regularly checked by the main decision-makers of the group with regard to decisions about the distribution of resources for this segment and the assessment of its financial performance. Compared to the previous years, the first application of IFRS 8 has not 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 customers 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; in these cases, the radioactive substances remain the property of the customer.

The Radiation 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.

The products of the Radiopharma segment, with sites in Berlin, Mainz, Bonn and Braunschweig, Germany, include 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 in Braunschweig and accepts orders from all parts of the world.

Segment Reporting	Isotope Products		Radiation Therapy		Radiopharma		Environmental Services		Others		Elimination		Total	
(in EUR ´000)	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Sales with external customers	54,629	50,843	30,413	32,084	25,620	22,563	5,528	5,603	7	0	0	0	116,197	111,093
Sales with other segments	1,942	896	447	277	206	428	1,103	531	1,374	1,217	-5,072	-3,349	0	0
Segment sales in total	56,571	51,739	30,860	32,361	25,826	22,991	6,631	6,134	1,381	1,217	-5,072	-3,349	116,197	111,093
Results from shares valued at-equity			-108	-390									-108	-390
Segment earnings before interest and income tax (EBIT)	17,393	13,715	4,490	3,647	3,066	1,292	154	-413	-2,196	-1,671	-5	1	22,902	16,571
Interest income	151	81	107	179	18	42	145	83	1,300	1,619	-1,501	-1,705	220	299
Interest expenditure	-765	-649	-791	-753	-1,015	-1,078	-247	-330	-1,579	-1,411	1,506	1,704	-2,891	-2,517
Income taxes	-5,175	-4,632	-3,407	-1,579	-665	1,279	-116	240	548	754	0	0	-8,815	-3,938
Earnings before minority interests	11,604	8,515	399	1,494	1,404	1,535	-64	-420	-1,927	-709	0	0	11,416	10,415

Segment Reporting	Isotope Products		Radiation Therapy		Radiopharma		Environmen-tal Services		Others		Total	
(in EUR ´000)	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Assets of the segments	77,561	69,427	47,405	50,562	25,592	18,045	-*	-*	100,552	103,564	251,110	241,598
Thereof participation value of shares valuated at-equity	0	0	0	108	0	0	0	0	0	0	0	108
Elimination of shares, participations and receivables between the segments											-97,068	-97,131
Consolidated total assets											154,042	144,467
Liabilities of the segments	-37,011	-34,953	-19,051	-22,606	-23,963	-19,821	-*	-*	-17,187	-20,062	-97,212	-97,442
Elimination of liabilities between the segments											24,739	26,580
Consolidated liabilities											-72,473	-70,862
Value impairment expenses	0	0	0	-1,395	0	-1,164	0	0	0	0	0	-2,559
Investments (without acquisitions of companies)	5,863	1,789	1,546	2,803	144	1,595	-*	-*	1,520	24	9,073	6,211
Depreciations	-2,185	-2,124	-2,934	-2,814	-1,817	-2,778	-384	-427	-191	-400	-7,511	-8,543
Income/expenses not affecting payments	-982	1,363	-581	-1,555	-136	2,482	9	-201	-1,097	756	-2,787	2,845

* 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, facilities and equipment according to regions

	2011	2010
	EUR '000	EUR '000
Germany	46,627	44,930
USA	22,008	17,406
Belgium	3,894	4,773
Other	1,373	1,378
Total	73,902	68,487

External sales according to geographical regions

	2011		2010	
	Mill. EUR	%	Mill. EUR	%
Europe	69.0	59	67.9	62
North America	30.9	27	30.5	27
Asia / Pacific	12.1	10	11.1	10
Other	4.2	4	1.6	1
Total	116.2	100	111.1	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 2011, sales amounting to approximately EUR 5.9 million (2010, Isotope Products: EUR 3.7 million) can be attributed to one principal customer (corresponds to approx. 5 % 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 in 2011 for the areas of group strategy, finances, capital market communications and personnel as well as 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; Chairman of the Board of Directors of Eckert & Ziegler BEBIG s.a., Seneffe, Belgium

Dr. Edgar Löffler
(Member of the Executive Board, in 2011 responsible for the EDV area and the Radiation 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 Eckert & Ziegler BEBIG s.a., Seneffe, Belgium; member of the Board of Directors of the closed joint stock company "NanoBrachyTech"

Dr. André Heß
(Member of the Executive Board, in 2011 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 Eckert & Ziegler BEBIG s.a., Seneffe, Belgium

Supervisory Board

The members of the company's Supervisory Board in the 2011 financial year were:

Prof. Dr. Wolfgang Maennig
(Chairman), Berlin, university professor
On other supervisory bodies: Member of the Supervisory Board of GRETA AG, Hasloh; 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 Eckert & Ziegler BEBIG s.a., Seneffe, Belgium

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

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

Until Dec. 31, 2011: Holger Bürk
Niedereschach, graduate computer scientist, delegate to the Supervisory Board of ConcentriXX AG
On other supervisory bodies: Member of the Board of Directors of Eckert & Ziegler BEBIG s.a., Seneffe, Belgium

Since Jan. 1, 2012: Dr. Fritz Oesterle
Stuttgart, attorney
On other supervisory bodies: Member of the Supervisory Board of Landesbank Baden-Württemberg, Stuttgart; member of the Supervisory Board of Untertürkheimer Volksbank e.G., Stuttgart

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 700K for 5 years at 6.5 %. As of December 31, 2011, the loan, including interest, amounted to EUR 280K.

Eckert & Ziegler AG has concluded a general contractor agreement with Eckert Beteiligungen 2 GmbH, a company in which Dr. Andreas Eckert indirectly holds a participating interest of more than 50 %, for the construction of a new production and administration building in Berlin-Buch. Eckert & Ziegler AG is the general contractor for this purpose and receives in this financial year a payment of EUR 2,278K for this activity.

48. Remuneration report

Executive Board remuneration

The remuneration structure for the Executive Board is oriented toward setting an incentive for a long-term successful corporate development. Therefore, a significant aspect of the remuneration structure is that, in addition to fixed compensation elements, variable compensation elements with a multiple-year measurement basis are agreed upon so that the members of the Executive Board are appropriately concerned with both positive and negative developments.

In the determination of the total remuneration as well as the distribution to individual compensation elements, the area of responsibility of the respective Executive Board member and his or her personal performance are especially evaluated. Moreover, the financial position, the success and future outlook of the company are taken into consideration. Finally, the remuneration should also be attractive and appropriate in comparison to the competition environment and the remuneration structure.

The overall remuneration of the individual members of the Executive Board as well as the remuneration structure is determined by the Supervisory Board for a period of several years and is reviewed at regular intervals. With regard to the provisions of the law concerning the appropriateness of the Executive Board's remuneration (VorstAG), the Executive Board contracts were adjusted effective as of the financial year 2011 so that the variable remuneration components now fundamentally show a long-term measurement basis. Similarly, the option was introduced to be able to reduce the remuneration of the Executive Board for the period of the worsening of the economic situation of the company to an appropriate level.

The fixed remuneration elements are paid monthly pro rata as salary. The members of the Executive Board also receive additional services in the form of benefits in kind, which consist mainly of use of a company car, telephone and insurance premiums. These accrue to all members of the Executive Board equally in principle but may vary in amount depending on the personal situation. As part of the remuneration, these additional services are to be taxed on the individual board member.

As variable remuneration elements, royalties with fundamentally long-term measurement basis are agreed upon. This is based on a percentage of cumulative EBIT or yearly surplus of the direct area of responsibility, observed over a defined multiple-year period. For the case of extraordinary developments, a cap is provided. In addition, variable remuneration elements can be agreed upon that are based only on a yearly success consideration and thereby either on a concrete goal achievement or a percentage share of the annual profit.

In the event that a board member terminates his employment prematurely or in line with his contract, no gratuities have been agreed upon. Likewise, there are no promises for severance compensation for the case of termination of activity with the company. However, the company grants two active members of the Executive Board an operational pension in the course of a so-called reinsurance underwriting account, which is financed by deferred compensation.

In 2011, the total compensation for the members of the Executive Board came to EUR 1,459K (previous year EUR 1,159K). This corresponds to an increase of 26 % compared to the previous year. Of this total compensation, EUR 743K (previous year EUR 597K) came from fixed elements and EUR 716K (previous year EUR 562K) from variable elements.

The individual members of the Executive Board received thereby the following remunerations (individualized disclosures):

Name		Fixed components	Variable components	Total
	Fixed salary	Benefits in kind	Profit royalties/bonus	
Dr. Andreas Eckert	300,000 EUR	25,618 EUR	375,000 EUR	**700,618 EUR**
	(py 240,000 EUR)	(py 24,558 EUR)	(py 200,000 EUR)	**(py 464,558 EUR)**
Dr. Edgar Löffler	217,500 EUR	27,565 EUR	168,533 EUR	**413,598 EUR**
	(py 153,000 EUR)	(py 26,708 EUR)	(py 202,032 EUR)	**(py 381,740 EUR)**
Dr. André Heß	147,000 EUR	26,172 EUR	172,000 EUR	**345,172 EUR**
	(py 132,000 EUR	(py 20,270 EUR)	(py 160,000 EUR)	**(py 312,270 EUR)**

These values include all remunerations from companies of the Eckert & Ziegler Group.

Due to a pension promise, provisions accrued to a former member of the Executive Board in the amount of EUR 410K (previous year EUR 396K; accounting always according to IFRS). In the 2011 financial year, pension payments were delivered to this former Executive Board member in the amount of EUR 32K (previous year EUR 32K).

Supervisory Board remuneration

The remuneration of the Supervisory Board is regulated in the articles of association and takes into account the assumed responsibility and the range of activity of the members of the Supervisory Board as well as the economic state and the success of the company.

The remuneration of the Supervisory Board consists of an annual fixed remuneration as well as a meeting remuneration in the amount of EUR 750.00. As fixed remuneration, the Chairman of the Supervisory Board receives an annual salary of EUR 12K, the deputy chairman an annual salary of EUR 9K and the other members of the Supervisory Board an annual salary of EUR 6K. Members of the Supervisory Board do not receive performance-related remuneration.

Insofar as the members of the Supervisory Board are entitled to charge the VAT separately and exercise this right, the company reimburses the VAT. The company also reimburses the members of the Supervisory Board for the costs immediately connected with the execution of their duties.

In the financial year 2011, members of the Supervisory Board received fixed remuneration in the amount of EUR 45K (previous year EUR 45K) and Supervisory Board meeting remunerations of EUR 21,800 (previous year EUR 18,800). This corresponds with a total expense of EUR 66,800 (previous year EUR 63,800).

The following individual remunerations were received by the individual members of the Supervisory Board:

No remuneration or benefits were paid to Supervisory Board members for services, in particular consulting and brokerage services, personally rendered outside of their activities on the Supervisory Board in the period under review, aside from Hans-Jörg Hinke and Holger Bürk, who each received EUR 12K in 2011 in addition to the above-mentioned amounts for their activities on the management board of Eckert & Ziegler BEBIG s.a.

b) Other related parties or companies

- Eckert Wagniskapital und Frühphasenfinazierung GmbH (EWK)), which holds 31.65 % of the shares in Eckert & Ziegler AG and whose sole shareholder is Dr. Andreas Eckert, Executive Board Chairman of Eckert & Ziegler AG.
- Glycotope GmbH, which is 37.41 % in the possession 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 2011 and 2010 the following transactions were carried out with these related parties and companies:

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, 2011, the loan status including interest is EUR 99K. In addition a contingent purchase price liability of a group company still exists towards Mr. Schmidt in the amount of EUR 18K.

Name	Remunerated function	Fixed remuneration	Meeting remuneration	Total
Prof. Dr. Wolfgang Maennig	Chairman of the Supervisory Board	12,000 EUR (py 12,000 EUR)	3,000 EUR (py 3,750 EUR)	**15,000 EUR (py 15,750 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)	3,750 EUR (py 3,000 EUR)	**9,750 EUR (py 9,000 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	Member of the Supervisory Board	6,000 EUR (py 6,000 EUR)	3,750 EUR (py 750 EUR)	**9,750 EUR (py 6,750 EUR)**

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

In June 2009, Eckert & Ziegler BEBIG s.a. contributed intangible assets to the joint venture "NanoBrachyTech" and received a 15 % share in the joint venture company in return. Eckert & Ziegler BEBIG s.a. supplies low-level radioactive implants to OOO Bebig, which is a full subsidiary of the joint venture. In the financial year 2011 the revenues with OOO Bebig amounted to EUR 2,411K (2010: 2,522K). As of December 31, 2011, the receivables due from OOO Bebig amounted to EUR 1,810K (2010: EUR 84K).

In the 2009 financial year, Eckert & Ziegler BEBIG s.a. further concluded several contracts with the joint venture regarding the sale of product expertise (EUR 2,749K), exclusive distribution rights (EUR 2,500K) and, with the involvement of an external leasing company, the order to establish multipart production facilities. This resulted in revenues from the realization of contractual obligations in the amount of EUR 2,549K (2010: EUR 1,996K) in the 2011 financial year. Received payments in the amount of EUR 2,749K were ascribed to the joint venture in 2010, so that, as of December 31, 2011, the Group shows payments concerning the joint venture in the amount of EUR 200K (2010: EUR 2,749K).

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 2011 and 2010 financial years:

	2011	2010
	EUR ´000	EUR ´000
Trade receivables due from related parties and companies	1,810	84
Loan liabilities due from related parties and companies	280	843
Liabilities against joint venture companies	200	2,749

49. Events since the balance sheet date

Since the balance sheet date, there have been no events of special meaning that had a significant impact on the earnings, finance and asset position of the Group.

Disclosures as per section 315a HGB

50. Other income/expenses

The other income/expenses include income relating to other periods from the sale of capital assets amounting to EUR 18K (2010: EUR 25K) and expenses relating to other periods from losses due to the sale of capital assets in the amount of EUR 13K (2010: EUR 41K).

51. Fees for auditors

The audit fees include the fee for the final audit of the 2011 year-end closing and group financial statements to the amount of EUR 170K (2010: EUR 157K). In addition to the fee for the final audit, the auditors did not receive any remuneration for other services in 2011 and 2010.

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 26, 2012

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, 2011, in EUR ´000

	Acquisition costs						
	As of 1.1.2011	Additions from company acquisitions	Other additions	Disposal	Transfers	Currency translation	As of 31.12.2011
Non-current assets							
I. Intangible assets							
1. Goodwill	35,050	1,173	0	0	0	569	36,792
2. Acquired intangble assets	20,943	791	1,830	526	0	195	23,233
3. Internally generated intangible assets	4,420	0	1,477	0	163	7	6,066
4. Payments in advance	0	0	415	0	0	0	415
	60,413	**1,964**	**3,722**	**526**	**163**	**771**	**66,507**
II. Property, facilities and equipment							
1. Buildings on third-party land	11,991	0	1,066	11	272	139	13,457
2. Plants	34,778	0	3,298	481	2,147	147	39,889
3. Other plants and equipment, fixtures and fittings	9,417	4	1,050	398	15	41	10,129
4. Assets under construction	5,542	0	1,112	172	-2,597	32	3,917
	61,729	**4**	**6,526**	**1,062**	**-163**	**359**	**67,393**
	122,142	**1,968**	**10,248**	**1,588**	**0**	**1,130**	**133,899**

Depreciations							Net book value	
As of 1.1.2011	Additions	Value impair-ments	Disposal	Transfers	Currency translation	As of 31.12.2011	As of 1.1.2011	As of 31.12.2011
5,388	0	0	0	0	152	5,540	29,662	31,252
10,354	2,424	0	526	0	69	12,321	10,589	10,912
3,463	135	0	0	0	34	3,632	957	2,434
0	0	0	0	0	0	0	0	415
19,205	**2,559**	**0**	**526**	**0**	**255**	**21,493**	**41,208**	**45,013**
4,475	774	0	6	0	62	5,305	7,516	8,152
24,204	2,871	0	468	-470	115	26,252	10,574	13,637
5,448	1,307	0	302	470	24	6,947	3,969	3,182
0	0	0	0	0	0	0	5,542	3,917
34,127	**4,952**	**0**	**776**	**0**	**201**	**38,504**	**27,602**	**28,889**
53,332	**7,511**	**0**	**1,302**	**0**	**456**	**59,997**	**68,810**	**73,902**

Movements in Group non-current assets as of December 31, 2010, in EUR ´000

	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, facilities 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**

Balance sheet oath

Assurance from the Executive Board according to §§ 264 Par. 2 Clause 3 in conjunction with 289 Par. 1 Clause 5 German Commercial Code [HGB]

We assure to the best of our knowledge, and in accordance with the applicable reporting principles, that the annual financial statement gives a true and fair view of the net assets, financial posiiton and results of operations of the company, and the management report includes a fair review of the development and performance of the business, the business results and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Berlin, March 26, 2012

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, 2011. 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 operations 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 random spot 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, and 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 accurate view of the group's position and correctly presents the opportunities and risks of future development.

Berlin, March 26, 2012

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

(Scharpenberg)	(Rietz)
Auditor	Auditor

Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin
Income statement for the period from January 1 to December 31, 2011

	2011	2010
	EUR ´000	EUR ´000
1. Revenues	1,381	1,217
2. Other operating income	2,762	243
	4,143	1,460
3. Staff costs		
a) Wages and salaries	-1,712	-1,109
b) Social security contributions and expenditure on pensions and old-age support - of which for pensions: EUR 0.00 (previous year: EUR -7,787.00)	-117	-120
	-1,829	-1,229
4. Depreciations on intangible assets of the fixed assets and property, facilities and equipment	-278	-231
5. Other operating expenses	-4,788	-1,636
6. Income from profit-transfer agreements	1,967	0
7. Income from holdings - of which from affiliates: EUR 3,004,124.87 (previous year: EUR 3,254,541.70)	3,004	3,255
8. Income from other securities and from loans included under long-term investments - of which from affiliates: EUR 753,345.98 (previous year: EUR 892,155.94)	753	892
9. Other interest receivable and similar income	553	732
10. Depreciations on long-term investments	-5,323	0
11. Expense from absorption of losses	0	-7
12. Interest payable and similar expenses	-874	-1,411
13. Net income/loss (-) from ordinary activities	**-2,672**	**1,825**
14. Extraordinary expenses	0	-26
15. Extraordinary profit or loss	**0**	**-26**
16. Taxes from income and revenue	0	-61
17. Other taxes	0	5
18. Shortfall for the year (previous year: profit for the year)	**-2,672**	**1,743**
19. Withdrawals from retained earnings	6,000	1,433
20. Balance sheet profit	**3,328**	**3,176**

Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin
Balance sheet as of December 31, 2011 and 2010

Assets	31.12.2011	31.12.2010
	EUR ´000	EUR ´000
A. Fixed assets		
I.Intangible assets		
1. Purchased industrial property rights and similar rights and values as well as licenses to such rights and values	1,668	1,378
2. Advance payments made	398	0
	2,066	1,378
II. Property, facilities and equipment		
1. Real properties, rights equivalent to real property and buildings	592	0
2. Other facilities and equipment, fixtures and fittings	47	16
3. Advance payments made and assets under construction	0	70
	639	86
III. Financial investments		
1. Shares in affiliates	64,056	69,289
2. Loans to affiliates	11,707	14,986
	75,763	84,275
	78,468	**85,739**
B. Current assets		
I. Receivables and other assets		
1. Trade receivables	4	0
2. Receivables due from affiliates	7,748	5,588
3. Other assets	1,438	541
	9,190	6,129
II. Securities		
1. Other securities	19	220
	19	220
III. Cash at banks	2,948	7,414
	12,157	**13,763**
C. Prepaid and deferred expenses	**45**	**10**
	90,670	**99,512**

Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin
Balance sheet as of December 31, 2011 and 2010

Liabilities and Shareholders' Equity	31.12.2011	31.12.2010
	EUR ´000	EUR ´000
A. Holders' equity		
I. Subscribed capital Nominal amount of the contingent capital: EUR 1,874,966.00 (previous year: EUR 1,874,966.00)	5,293	5,293
minus nominal amount of own shares	-5	-71
II. Capital reserves	51,395	51,203
III. Retained earnings	0	0
1. Other retained earnings	13,627	19,316
	13,627	19,316
IV. Balance sheet profit	3,328	3,176
	73,638	**78,917**
B. Special reserves for contributions to fixed assets	**247**	**287**
C. Provisions		
1. Provisions for pensions and similar obligations		394
2. Tax provisions		0
3. Other provisions		625
	2,265	**1,019**
D. Liabilities		
1. Liabilities towards banks		15,843
2. Trade liabilities		37
3. Liabilities towards affiliates		2,080
4. Other liabilities (of which for taxes: EUR 124,838.29; previous year: EUR 79,947.93) (of which for social security: EUR 1,158.40; previous year: EUR 725.80)	140	1,329
	14,520	**19,289**
	90,670	**99,512**

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

Applicator Used to place the radiation source at the correct position in the body. There are specific applicators for the respective body areas, e.g. uterus, esophagus, eyes

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

Californium (Cf)-252 neutron sources Product line for the industrial analysis of minerals. For the precise determination of minerals in coal or cement and measuring the water content when storing bulk goods

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 of 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

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 targetstructures in the organism and combined with gallium-68 enable the diagnosis of various cancers.

Hot Cell With thick lead slabs space/container for the handling and short-term storage of radioactive substances

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

MicroCell Container for the fully automatic processing of radioactive liquids in nuclear medicine, but in contrast to the “hot cell” considerably smaller, lighter and more economical

Modular Lab Synthesis device for the production of radioactive diagnostics

NASM North American Scientific, Inc. (Nasdaq: NASM). Former competitor whose industrial sources business was acquired by Eckert & Ziegler in 2008

Nuclear Imaging Imaging and image processing for nuclear medical purposes

Nuclear medicine 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

Planning software Special software to support the planning of brachytherapy treatment

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 it makes the distribution of low 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 Radioactive substances 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

Radiolabeling Marking of biological entities (e.g. sugar molecules, protein moduels on tumor cells) with radioactive nuclides for therapy (radiation) and diagnostics (imaging)

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, 2012
Anual Report 2011

March 30, 2012
Balance Press Conference in Berlin

May 3, 2012
Quarterly Report I/2012

May 7, 2012
Entry und General Standard Conference in Frankfurt

May 24, 2012
Anual General Meeting in Berlin

August 14, 2012
Quarterly Report II/2012

November 6, 2012
Quarterly Report III/2012

November 2012
German Equity Forum in Frankfurt

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Christian Opel, page 42, right side
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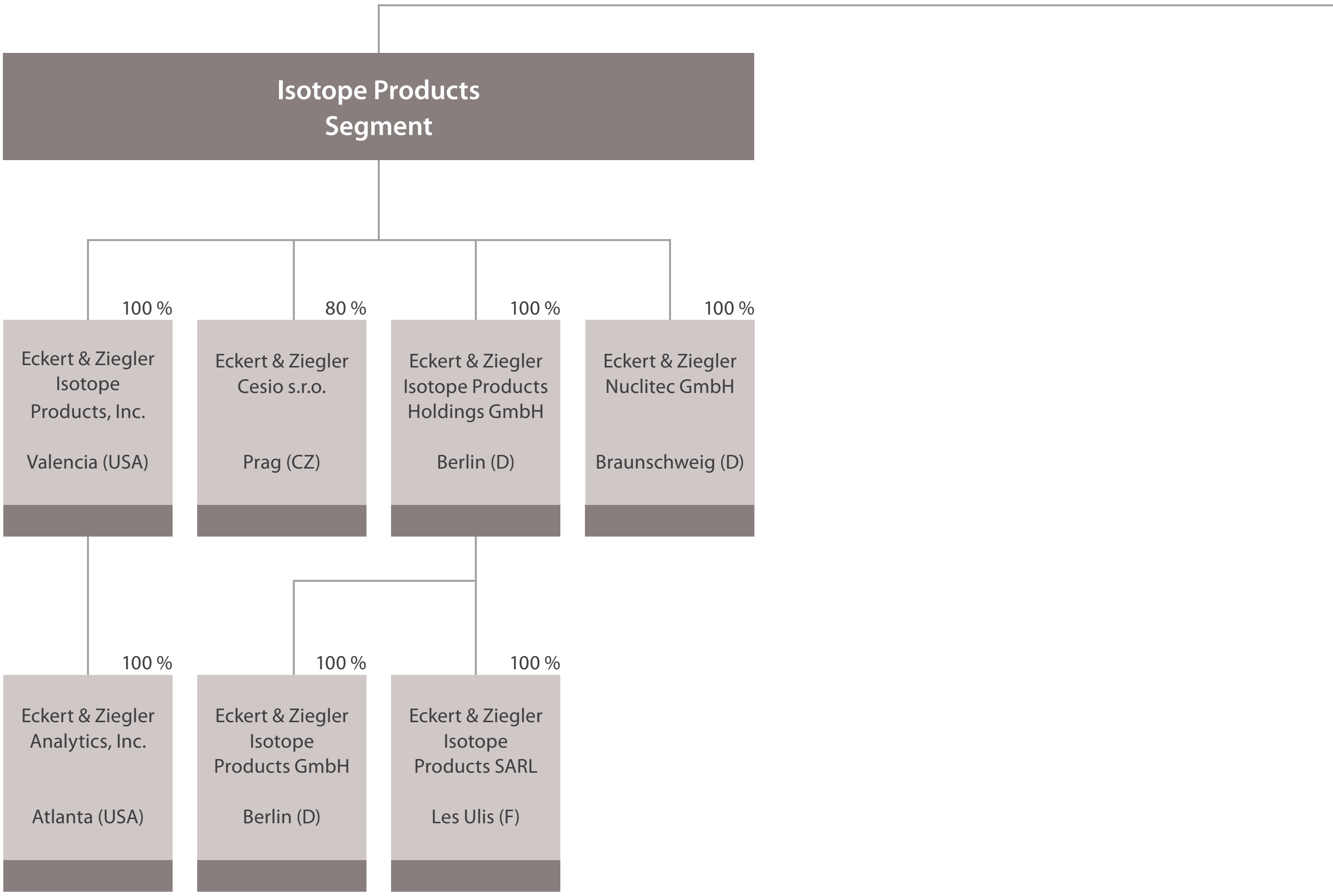
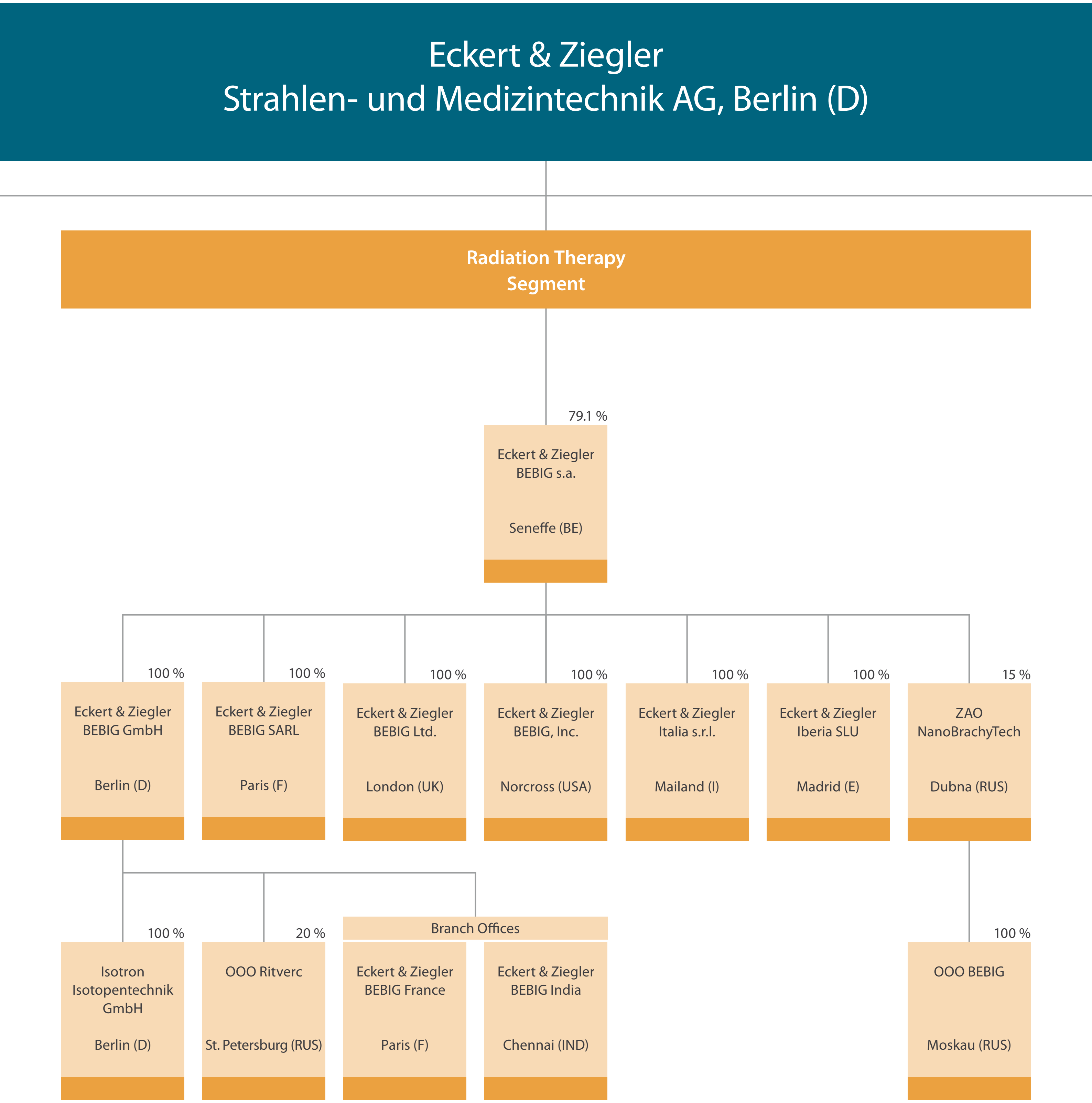
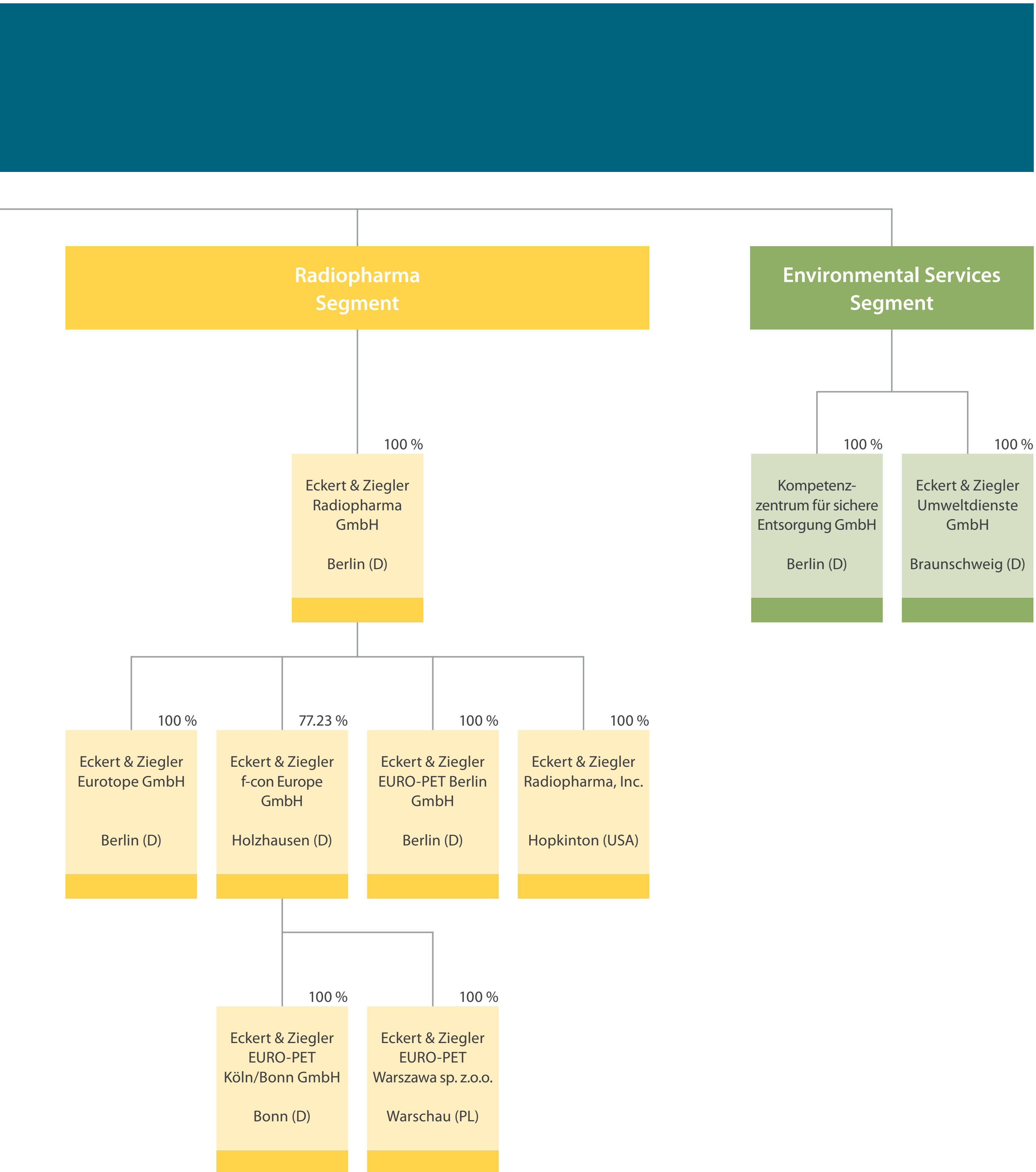

Isotope Products
Segment
100 %
Eckert & Ziegler Isotope Products, Inc.
Valencia (USA)
80 %
Eckert & Ziegler Cesio s.r.o.
Prag (CZ)
100 %
Eckert & Ziegler Isotope Products Holdings GmbH
Berlin (D)
100 %
Eckert & Ziegler Nuclitec GmbH
Braunschweig (D)
100 %
Eckert & Ziegler Analytics, Inc.
Atlanta (USA)
100 %
Eckert & Ziegler Isotope Products GmbH
Berlin (D)
100 %
Eckert & Ziegler Isotope Products SARL
Les Ulis (F)


Eckert & Ziegler
Strahlen- und Medizintechnik AG, Berlin (D)
Radiation Therapy
Segment
79.1 %
Eckert & Ziegler
BEBIG s.a.
Seneffe (BE)
100 %
Eckert & Ziegler
BEBIG GmbH
Berlin (D)
100 %
Eckert & Ziegler
BEBIG SARL
Paris (F)
100 %
Eckert & Ziegler
BEBIG Ltd.
London (UK)
100 %
Eckert & Ziegler
BEBIG, Inc.
Norcross (USA)
100 %
Eckert & Ziegler
Italia s.r.l.
Mailand (I)
100 %
Eckert & Ziegler
Iberia SLU
Madrid (E)
15 %
ZAO
NanoBrachyTech
Dubna (RUS)
100 %
Isotron
Isotopentechnik
GmbH
Berlin (D)
20 %
OOO Ritverc
St. Petersburg (RUS)
Branch Offices
Eckert & Ziegler
BEBIG France
Paris (F)
Eckert & Ziegler
BEBIG India
Chennai (IND)
100 %
OOO BEBIG
Moskau (RUS)


Radiopharma Segment
Environmental Services Segment
100 %
Eckert & Ziegler Radiopharma GmbH
Berlin (D)
100 %
Kompetenz-zentrum für sichere Entsorgung GmbH
Berlin (D)
100 %
Eckert & Ziegler Umweltdienste GmbH
Braunschweig (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 Radiopharma, Inc.
Hopkinton (USA)
100 %
Eckert & Ziegler EURO-PET Köln/Bonn GmbH
Bonn (D)
100 %
Eckert & Ziegler EURO-PET Warszawa sp. z.o.o.
Warschau (PL)

		2011	2010	2009	2008	2007
Sales and Earnings						
Sales	EUR ´000	**116,197**	111,093	101,399	71,612	54,444
EBITDA	EUR ´000	**30,412**	26,413	27,943	18,619	9,419
Depreciations	EUR ´000	**-7,511**	-9,842	-11,525	-9,150	-3,7 31
EBIT	EUR ´000	**22,901**	16,571	16,418	9,469	5,688
EBIT w/o one-off effects	EUR ´000	**22,901**	16,571	14,589	6,939	5,688
EBIT margin w/o one-off effects	%	**20 %**	15 %	14 %	10 %	10 %
Net profit for the year after taxes and minorities	EUR ´000	**10,418**	9,413	13,250	4,502	1,948
Earnings per share w/o one-off effects	EUR	**1.98**	1.81	1.97	1.10	0.89
Cash Flow						
Cash flow from operating activities	EUR ´000	**20,159**	15,025	22,112	8,592	6,631
Liquid assets as of 31 December	EUR ´000	**32,304**	29,216	43,674	7,311	4,375
Balance						
Shareholders' equity	EUR ´000	**81,569**	73,605	86,075	42,820	36,491
Total assets	EUR ´000	**154,042**	144,467	161,320	98,798	67,587
Equity ratio	%	**53 %**	51 %	53 %	43 %	54 %
Net liquidity (liquidity minus debts)	EUR ´000	**14,315**	7,413	23,599	-11,201	-7,802
Employees						
Average number of employees *	People	**547**	512	500	395	309
Number of employees as of 31 December	People	**576**	546	526	404	359
Key figures share						
Average number of shares in circulation	Item in thousand	**5,274**	5,194	3,783	3,143	3,142
Book value per share	EUR	**14.34**	13.23	20.24	13.11	11.61
Dividend	EUR	**0.60****	0.60	0.45	0.30	0.25

* without Executive Board, general managers, freelancer
** Dividend to be proposed to the Annual General Meeting by the Group on May 24, 2012

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