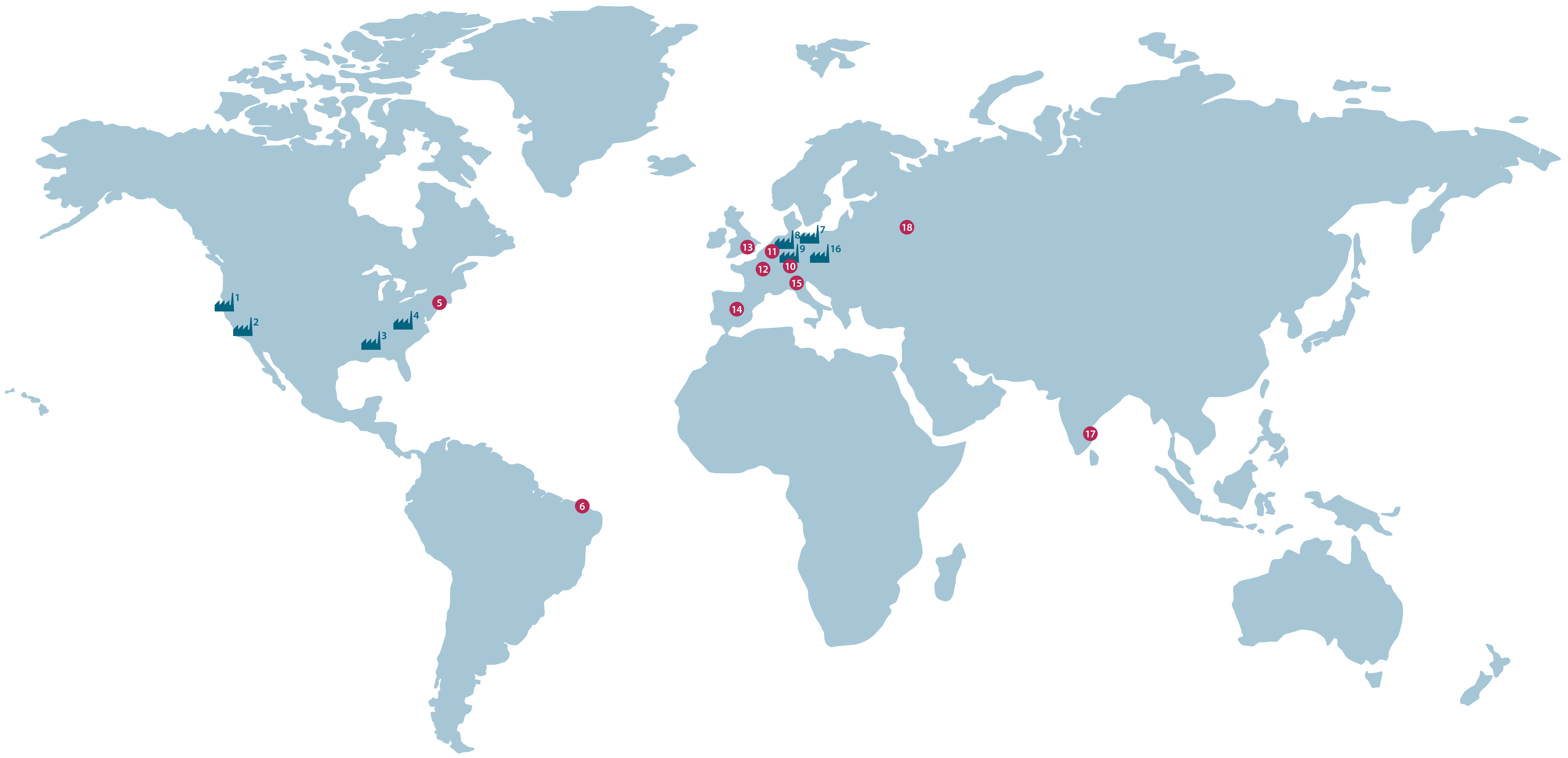
Annual Report 2012

Excellence in niche markets

Eckert & Ziegler

ECKERT & ZIEGLER WORLDWIDE



NORTH-/SOUTH AMERICA

1 San Francisco, California, USA
2 Los Angeles, California, USA
3 Atlanta, Georgia, USA
4 Washington D.C., USA
5 Hopkinton, Massachusetts, USA
6 Fortaleza, Brazil

EUROPE

7 Berlin, Germany (Headquarters)
8 Braunschweig, Germany
9 Bonn, Germany
10 Holzhausen, Germany
11 Seneffe, Belgium
12 Paris, France
13 London, Great Britain
14 Madrid, Spain
15 Milan, Italy
16 Prague, Czech Republic

ASIA AND REST OF WORLD

17 Chennai, India
18 Moscow, Russia

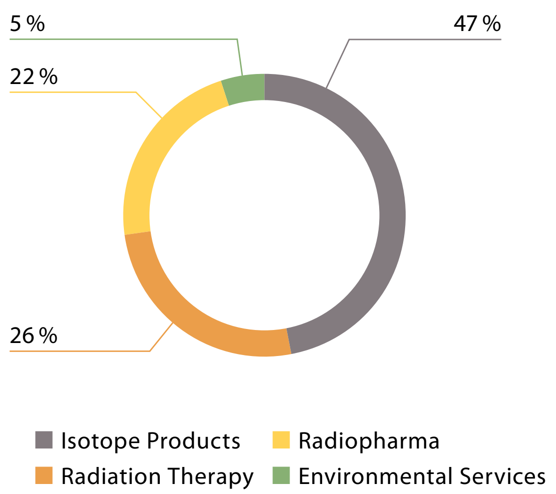
production site
distribution site

KEY DATA ECKERT & ZIEGLER

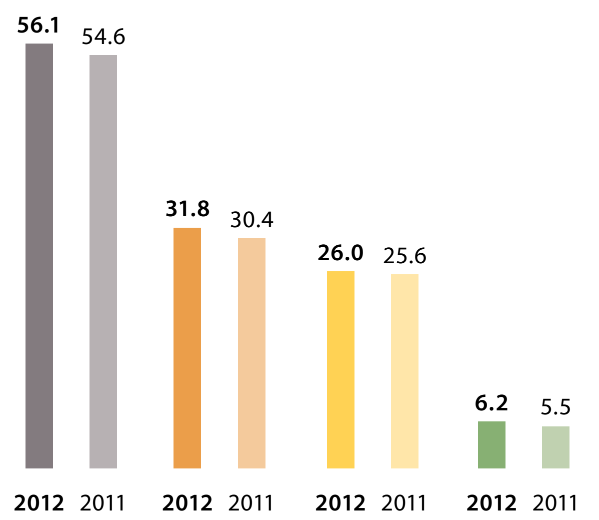
		Change	2012	2011
Sales and Earnings				
Sales	€ thousand	+ 3 %	119,997	116,197
EBITDA	€ thousand	– 10 %	27,475	30,412
Depreciations	€ thousand	– 3 %	– 7,747	– 7,511
EBIT	€ thousand	– 14 %	19,728	22,901
EBIT w/o one-off effects	€ thousand	– 14 %	19,728	22,901
EBIT margin w/o one-off effects	%	– 17 %	16 %	20 %
Tax rate	%	– 25 %	33 %	44 %
Net profit for the year after taxes and minorities	€ thousand	– 1 %	10,293	10,418
Earnings per share w/o one-off effects	€	– 1 %	1.95	1.98
Cash Flow				
Cash flow from operating activities	€ thousand	– 18 %	16,574	20,159
Liquid assets as of 31 December	€ thousand	– 5 %	30,842	32,304
Balance				
Shareholders' equity	€ thousand	+ 8 %	86,970	80,896
Total assets	€ thousand	+ 7 %	164,444	154,353
Equity ratio	%	+ 1 %	53 %	52 %
Net liquidity (liquidity minus debts)	€ thousand	+ 8 %	15,396	14,315
Employees				
Average number of employees*	People	+ 7 %	573	538
Number of employees as of 31 December	People	+ 7 %	611	573
Key figures share				
Average number of shares in circulation	Item in thousand	+ 0 %	5,288	5,274
Book value per share	€	+ 7 %	15.27	14.23
Dividend	€	–	0.60**	0.60

** without executive boards, general managers, freelancer* ** *Dividend to be proposed to the Annual General Meeting by the Group on May 17, 2013*

SALES BY SEGMENTS 2012



SALES TRENDS IN INDIVIDUAL SEGMENTS (IN € MILLION)



EXPERTISE IN NICHE MARKETS

Minimally invasive treatment of prostate cancer. Measuring the level of liquid in beverage cans. Detecting smoke in buildings. Providing satellite systems with power. Disposing of low-level radioactive waste from hospitals. Making sure cling film is tear resistant. Finding mineral deposits. Detecting cancer at an early stage and treating tumors effectively.

Eckert & Ziegler products are used in all these processes. And these are just some examples of how Eckert & Ziegler leverages its expertise in the field of radioactive materials by occupying niches in which few competitors can keep pace. Our manufacturing expertise from Berlin-Buch is found in many of today's products, both in everyday devices and in one-off products. These niche innovations often fulfill key functions without which customer's products would not function without.

As varied as these components may be, their production is always based on expert handling of radioactive materials. This expertise is always put to use in an area where other companies are unable to compete: the niche.

For 20 years, EZAG has impressed the world market with its products and solutions, the variety of which few companies are in a position to offer. Above all, the Group is spurred on by a high level of expertise, the specialist knowledge of its employees, market-oriented develop-ments, and strategic acquisitions.

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).

COMPANY

GROUP MANAGEMENT REPORT

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.

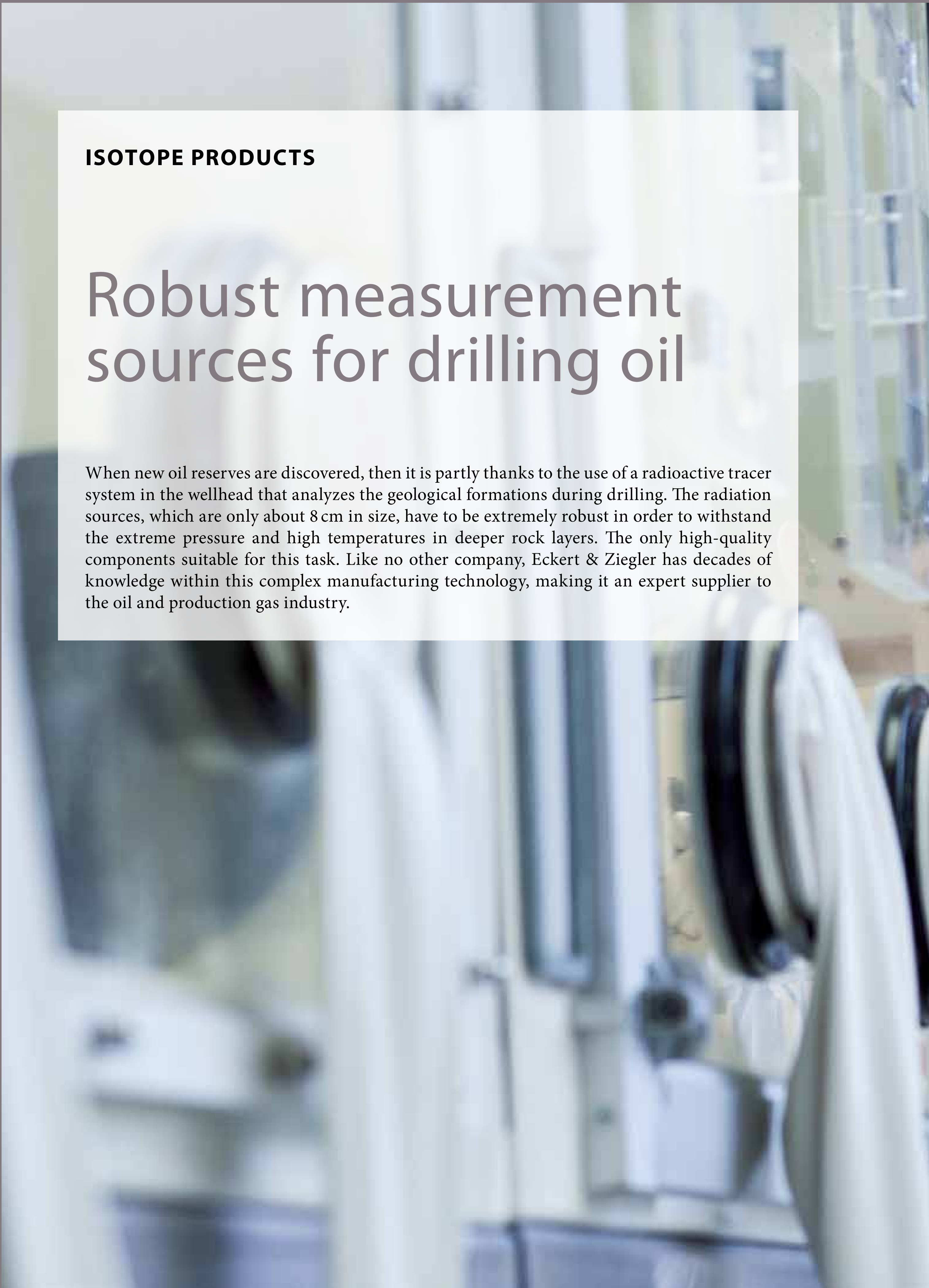
ENVIRONMENTAL SERVICES

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.

GROUP FINANCIAL INFORMATION

ADDITIONAL INFORMATION

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.



ISOTOPE PRODUCTS

Robust measurement sources for drilling oil

When new oil reserves are discovered, then it is partly thanks to the use of a radioactive tracer system in the wellhead that analyzes the geological formations during drilling. The radiation sources, which are only about 8 cm in size, have to be extremely robust in order to withstand the extreme pressure and high temperatures in deeper rock layers. The only high-quality components suitable for this task. Like no other company, Eckert & Ziegler has decades of knowledge within this complex manufacturing technology, making it an expert supplier to the oil and production gas industry.

40,000 psi

Pressure a
radiometric drill
hole source
must withstand of
in quality tests

Letter to the Shareholders

Dear Shareholder,

The letter to the shareholders, which you have just started reading, has always been an integral part of Eckert & Ziegler AG's annual reports. Although it is published together with the audited consolidated financial statements, it is – formally speaking – not a part of them. As a result, it does not carry an auditor's opinion. Instead, it is a subjective assessment of the situation by the Executive Board. It is intended to make it easier for you to form an opinion of the most recent fiscal year.

An assessment of 2012 is not an easy task at first sight. There is no clear trend that could serve as a guiding theme for a quick summary. There were neither triumphs nor defeats. When it comes to sales and earnings, we mainly have stability to report. Although Eckert & Ziegler's sales increased in nominal terms by 3 %, from € 116 million to € 120 million, revenues remained pretty much the same year on year, net of currency effects. Things are also the same as they were when it comes to earnings per share. This year, the bottom line is € 1.95 per share instead of 2011's € 1.98 per share. The difference is negligible.

Is the glass half full or half empty? In management, we have internalized the image of a rower fighting against the current: If all you are doing is treading water, you are going backwards. On the other hand, we have to acknowledge that in times of crisis, an EBIT margin of over 16 % and increased net liquidity (despite growing investments) are anything but commonplace. Increasing high margins is always difficult. Defending them is hardly any easier. We would therefore like to thank those responsible and their teams on behalf of the Executive Board.

From left:

Dr. Edgar Löffler (Member of the Executive Board)

Dr. André Heß (Member of the Executive Board)

Dr. Andreas Eckert (Chairman of the Executive Board)

As for the apparent standstill in terms of earnings and sales, it is important to realize that the "breather" did not come unexpectedly. A series of plans that we have been putting into action in recent years first have to come to fruition. These include not only cost-cutting programs and efforts to find more affordable and more reliable sources, but also – and especially – investments in new locations (Poland, Brazil, San Francisco) and new products. In the form of development costs, they left their mark not only on the income statement, but also on the cash flow statement. Despite a lack of major acquisitions, expenses for investments increased to more than € 10 million – a rise of around 30 % compared to 2011 and more than 50 % compared to 2010. We hope to be able to start harvesting the first fruits of our labors in 2013.

We have already quietly made good progress in many areas. This is visible in the patient balance for 2012, for instance. Thanks to the installation of 41 new systems in places such as Canada, Iraq, the Philippines, and Cuba, the number of clinics with tumor irradiation equipment from Eckert & Ziegler increased worldwide to approximately 220. Hats off to the employees in Therapy segment! When it comes to prostate implants, eye applicators, yttrium-90 medications, and contrast agents based on fluorine-18, the number of deliveries also increased, and so did the number of people receiving treatment. We estimate that some 130,000 patients received treatment using Eckert & Ziegler products in 2012. That is nearly 20 % more than in 2011.

» On the other hand, we have to acknowledge that in times of crisis, an EBIT margin of over 16 % and increased net liquidity (despite growing investments) are anything but commonplace. «

Unfortunately, the sheer growth in the number of people receiving treatment with our products did not lead to growth in sales revenues. It first had to compensate for the tumbling prices we are experiencing in Europe for prostate implants and contrast agents, which has been caused by competition and cuts in cost reimbursement. We hope to more than compensate for the difficult situation in Europe through growth in emerging markets in the years to come. We were already especially successful in Asia and the Middle East in 2012. First sales in China and Brazil show that our tumor irradiation equipment is being well received by the most promising emerging markets and that the diversification strategy is working. As a result, we have already been able to substantially reduce our dependency on the Russian market.

The situation has also eased on other fronts. In Braunschweig, we surprisingly became the target of opponents of nuclear power who took our plans to play a role in decommissioning nuclear power plants differently than we had naively imagined. Instead of being welcomed as constructive problem solvers, we saw ourselves suddenly discredited as the "nuclear industry." The choice of words had nothing to do with the facts, of course. All the initiators were interested in was attracting more attention for their war of opinions and gathering support and donations. In the process, they were able to rely on a network of sympathizers who, over a period of several months, went public with a string of increasingly absurd horror stories and who, in keeping with a muddled logic, filed massive charges against the site, its neighbors, and the regulatory agencies.

Major media outlets were rarely of help during the conflict. They often were not able – or were not willing – to clear up the madness, even though it was blatantly of an artificial nature. However, we were pleased to see how many organizations and individuals actively stood by us by acting as opinion leaders in networks, writing letters to the editor, and showing other signs of support. Our heartfelt thanks go out to them. The ludicrous hubbub about alleged secret authorizations to hoard "material for five atomic bombs," hidden radiation and the closure of the Mittellandkanal, Airbuses plummeting from the sky, and mysteriously excessive numbers of female babies proved, as expected, to be unfounded nonsense, just like the formal charges. The scant evidence was not even enough to justify opening an investigation.

In retrospect, the wave of outrage was a good thing in many respects. We received widespread attention and confirmation of our position, and even skeptics now understand that the uproar is grossly exaggerated. It has also become clear that we are part of the solution and not part of the problem. Only a few hardcore fundamentalists still truly believe that the devil's work is being done in the industrial park.

The talks at our headquarters in Berlin stood in remarkable contrast to this conflict in 2012. Our offices and laboratories had become a tight squeeze on account of the rapid growth in recent years. Even the space offered by our neighboring biotech industrial park was no longer enough to accommodate everybody. We had literally already rented every last transformer station and broom closet. The prospect of a complicated move or limiting our growth loomed, as the nearest open commercial land was several kilometers away. Berlin's Senate jumped in to help us in this difficult situation and made it possible for us to buy public land that had originally been reserved for the expansion of the Buch research campus, which is also booming. Those familiar with the potential for conflict that goes along with coordinating efforts between a large number of administrative departments and public agencies while gaining the necessary approvals will know what broad-based, non-partisan esteem was behind the offer and its rapid implementation. We are therefore proud of the Senate and of our Buch biotechnology campus. In 2012, we were finally able to solve our space issues when we moved into the striking new building located directly at the entrance to the research campus. Room to expand is also available.

As a result, many things changed for the better in 2012. Once the Annual General Meeting has approved the proposal by the Executive Board and the Supervisory Board to distribute a dividend of €0.60 per share, the year will have also been worth it for the shareholders. We see this positive development as a mandate to continue working on creating value and benefits for customers, and we would be pleased if you would continue to accompany us down this path as a shareholder.

Sincerely,

Dr. Andreas Eckert
Chairman of the Executive Board

Report of the Supervisory Board

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

In fiscal year 2012, the Supervisory Board properly fulfilled the tasks incumbent upon it according to the law, the Articles of Association, and the rules of procedure. It continuously monitored the Executive Board and advised it on its corporate management activities. The Supervisory Board was directly involved in all decisions of fundamental importance to the company.

The Executive Board regularly, promptly, and extensively informed the Supervisory Board, in both written and oral form, about corporate planning, business performance, and strategic progress, as well as the Group's current situation. Moreover, the Chairman of the Executive Board regularly informed the Chairman of the Supervisory Board outside the Supervisory Board's meetings about current developments in the business situation and significant business transactions. The Chairman of the Supervisory Board was also in regular contact with the Chairman of the Executive Board and discussed with him issues related to strategy, planning, business development, the risk situation and risk management, and compliance.

A total of five Supervisory Board meetings took place during the period under review. If necessary, the Supervisory Board adopted decisions by written procedure. Draft proposals submitted by the Executive Board were approved after examining detailed and extensive documentation and 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. On average, all members of the Supervisory Board attended 97 % of the meetings.

KEY TOPICS ADDRESSED BY THE SUPERVISORY BOARD

The following key topics formed the focus of the individual Supervisory Board meetings:

At the meeting on January 23, 2012, the Supervisory Board dealt with the forecast business figures for fiscal year 2011 and the strategic situation in the Environmental Services segment.

The audit of the annual financial statements and the management reports for the Group and the company were the main topics addressed at the meeting on March 26, 2012. The company's risk report, which describes the key risk positions and the Group's risk management, was also presented and discussed in detail at this meeting.

The topic of the meeting on May 23, 2012 was primarily the business figures for the first quarter of 2012.

At its meeting on July 23, 2012, the Supervisory Board discussed the business figures for the second quarter of 2012 as well as various acquisition projects and the associated opportunities and risks, among other topics.

In a written decision-making procedure, the Supervisory Board approved signing a loan and stock-option agreement with Eckert Wagniskapital und Frühphasenfinanzierung GmbH on August 15, 2012.

The focus of the meeting on October 26, 2012 was the presentation and approval of the budget for fiscal year 2013 as well as the presentation of the business figures for the third quarter of 2012. A further topic was the purchase of additional shares in Eckert & Ziegler f-con Deutschland GmbH by Eckert & Ziegler Radiopharma GmbH.

CORPORATE GOVERNANCE

In the period under review, the Supervisory Board continued to deal with the further development of the standards of good and responsible corporate governance, taking into account the German Corporate Governance Code as amended on May 15, 2012. On December 3, 2012, the Executive Board and the Supervisory Board issued a new Declaration of Conformity with the German Corporate Governance Code. Additional details are available in the Group's Corporate Governance Report, which is published on the Group's website in connection with Declaration on Compliance.

Moreover, the Supervisory Board regularly examined the efficiency of its work and took measures aimed at improvement during the period under review.

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

AUDIT OF THE ANNUAL FINANCIAL STATEMENTS FOR 2012

The annual financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG, the consolidated financial statements of the Eckert & Ziegler Group, and the management reports were audited, together with the accounting system, by the auditors appointed by the Annual General Meeting for fiscal year 2012, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Berlin, Germany. The auditor has concluded that all legal requirements have been met and has granted an unqualified auditor's opinion. Furthermore, the auditor has concluded that the Executive Board has implemented the measures incumbent upon it pursuant to Section 91 (2) of the German Stock Corporation Act (Aktiengesetz, AktG) regarding the establishment of a risk-monitoring system in a suitable form and that this system is suitable for the early detection of developments that endanger the continued existence of the company as a going concern. In regard to the report presented by the Executive Board on the company's relationships to affiliated enterprises in accordance with Section 312 AktG (affiliated company report), the auditor has confirmed that the statements made in the report are correct and that the payments made by the company for the legal transactions listed in the report were not inappropriately high.

The annual financial statements, including the affiliated company report and the auditor's audit report, were handed over to the Supervisory Board ahead of publication for the purpose of information. A representative of the auditor took part in the Supervisory Board's balance-sheet meeting on March 26, 2013 and reported on the key findings of the audit. The Supervisory Board acknowledged and approved the auditor's results.

Based on its subsequent examination, the Supervisory Board raises no objections against the audited annual financial statements and the affiliated company report, including the Executive Board's concluding statement. The Supervisory Board therefore approves the annual financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG and the consolidated financial statements of the Eckert & Ziegler Group. The annual financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG are thereby adopted. The Supervisory Board concurs with the Executive Board's recommendation on the appropriation of net profit.

CHANGES TO THE SUPERVISORY BOARD

Dr. Fritz Oesterle was appointed as a new member of the Supervisory Board effective January 1, 2012. He succeeded Mr. Bürk, who voluntarily resigned from the Supervisory Board at the end of 2011. The appointment occurred by way of the company founders' due right to delegate members to the Supervisory Board pursuant to the Articles of Association.

ACKNOWLEDGMENT

The Supervisory Board would like to thank the members of the Executive Board as well as the management and employees of the companies belonging to the Eckert & Ziegler Group for their active commitment and performance in fiscal year 2012.

Berlin, March 2013
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.

1 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.

2 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 of Product Management and Business Development and completed his tenure as General Manager of Theranostic GmbH, a German subsidiary of Nucletron. In May 2001, Dr. Löffler was appointed a member of the Executive Board of Eckert & Ziegler.

3 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.

4 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.

5 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.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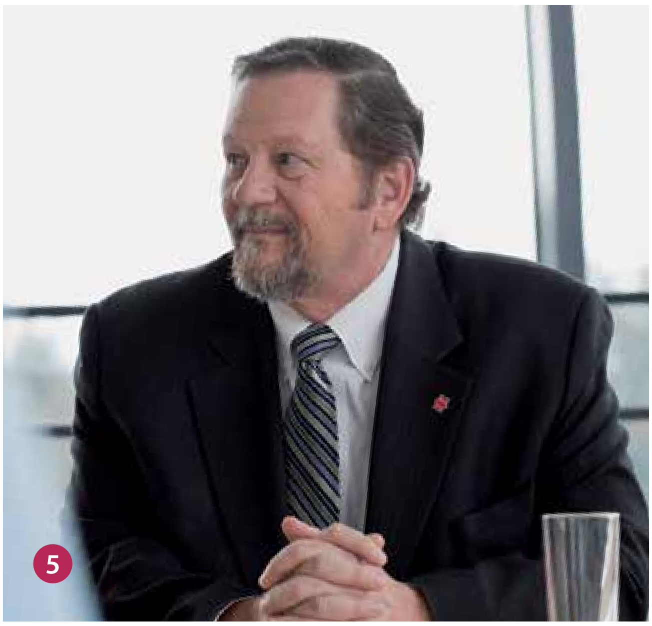
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The year 2012 in review

Recognition of excellence
The Munich Strategy Group names Eckert & Ziegler one of the top ten German SMEs.

New management
Eckert & Ziegler strengthens its strategic and operative management in the Radiation Therapy and Environmental Services segments.

Photo above: Dr. Gunnar Mann
Photo below: Abel Luzuriga

Scientific expert forum
More than 100 international experts for radiation therapy take advantage of the regular international meetings on brachytherapy organized by Eckert & Ziegler to find out about current topics and trends in brachytherapy.

Tumor irradiation equipment for Russia
Eckert & Ziegler signs an agreement with a leading Russian provider of radiation therapy and nuclear medicine equipment on the licensing of technology for manufacturing tumor irradiation equipment in Russia. By doing so, Eckert & Ziegler secures its stake in government investment programs in Russia's health care sector.

Expansion in the US market
Ruthenium-106 Eye Applicators become available for sale in the US. Additional innovative brachytherapy solutions will be introduced to the US market in the long term.

20

20 years of Eckert & Ziegler
Eckert & Ziegler celebrates its 20th anniversary.

Expansion in Poland
Breaking ground for the construction of a new production facility in Warsaw. The goal is to strengthen its presence in cyclotiron-based PET radiopharmaceuticals on the Polish market.

Expansion of business in Japan

The Japanese Ministry of Health, Labor and Welfare grants the reimbursement of the Cobalt-60 source of the Multi-Source® tumor irradiation equipment, making it available to an even larger group of patients.

Services for the pharmaceuticals industry

Eckert & Ziegler purchases Vitalea Science Inc., a radiocarbon-specialist. Located near San Francisco it provides bioanalytical services for the clinical drug development.

Support for up-and-coming scientists

Eckert & Ziegler travel grants are awarded for the fifth time to outstanding up-and-coming scientists at the annual congress of the European Association of Nuclear Medicine (EANM) in Milan, Italy.

More strength in South America

Eckert & Ziegler establishes a new subsidiary in Brazil, strengthening its presence in the radiation therapy market in South America.

Manufacturing authorization for $^{68}Ge/^{68}Ga$ generators

Eckert & Ziegler is granted authorization to manufacture pharmaceutical $^{68}Ge/^{68}Ga$ generators, which is produced at the Berlin location.

New building in Berlin

In the presence of Berlin's Minister for Economic Affairs, Cornelia Yzer, Eckert & Ziegler officially opens its new Group headquarters in Berlin-Buch.

Approved for sale in China

The MultiSource® tumor irradiation equipment is approved for sale in China. With just less than 3 million new cases of cancer diagnosed each year, China is one of the most important markets for cancer therapy.

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

KEY DATA

		Dec 31, 2012	Dec 31, 2011	in %
Closing price for the financial year*	€	23.67	22.60	5
Highest price for the financial year*	€	25.31	31.60	– 20
Lowest price for the financial year*	€	20.51	20.02	2
Price-Earnings Ratio (PER)		12	11	6
Earnings per share (EPS)	€	1.95	1.98	– 2
Cashflow per share	€	3.13	3.81	– 18
Book value per share	€	15.27	14.23	7
Average shares in circulation	shares	5,288,165	5,273,906	0
Number of shares outstanding as of the reporting date	shares	5,288,165	5,288,165	0
Market capitalization	€ million	125	120	5
Average trading volume per day	shares	7,144	10,688	– 33

** Xetra*

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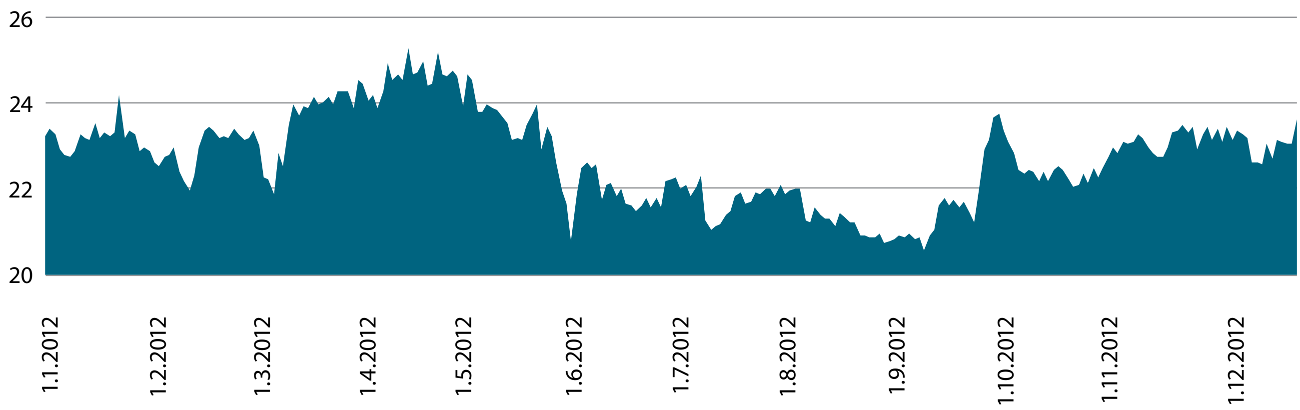
RATE CHANGES OF THE ECKERT & ZIEGLER SHARE IN 2012



Closing price

DEVELOPMENT OF THE SHARE

Amid the ongoing uncertainty in the eurozone, the stock market continues to be extremely volatile. Despite the difficult market environment, the Eckert & Ziegler share held up relatively well until April, reaching an annual high of € 25.31 on April 17, 2012. Following a dividend payment of € 0.60 per share approved at the Annual General Meeting on May 24, 2012, there was a corresponding price adjustment. In the third quarter, the share performed worse than the index, hitting its lowest level of € 20.51 on September 11, 2012. The fourth quarter was characterized by steadily rising prices following the announcement of the acquisition of pharmaceutical services company Vitalea Science Inc. At the end of the fiscal year, the share price closed at € 23.67, equivalent to a slight increase of around 5 %. The strength of the Eckert & Ziegler share is particularly evident in a long-term comparison: In the last five years, its value has increased by roughly 140 %. The trading volume at the end of the fiscal year amounted to a daily average of 7,144 shares (prior year: 10,688).

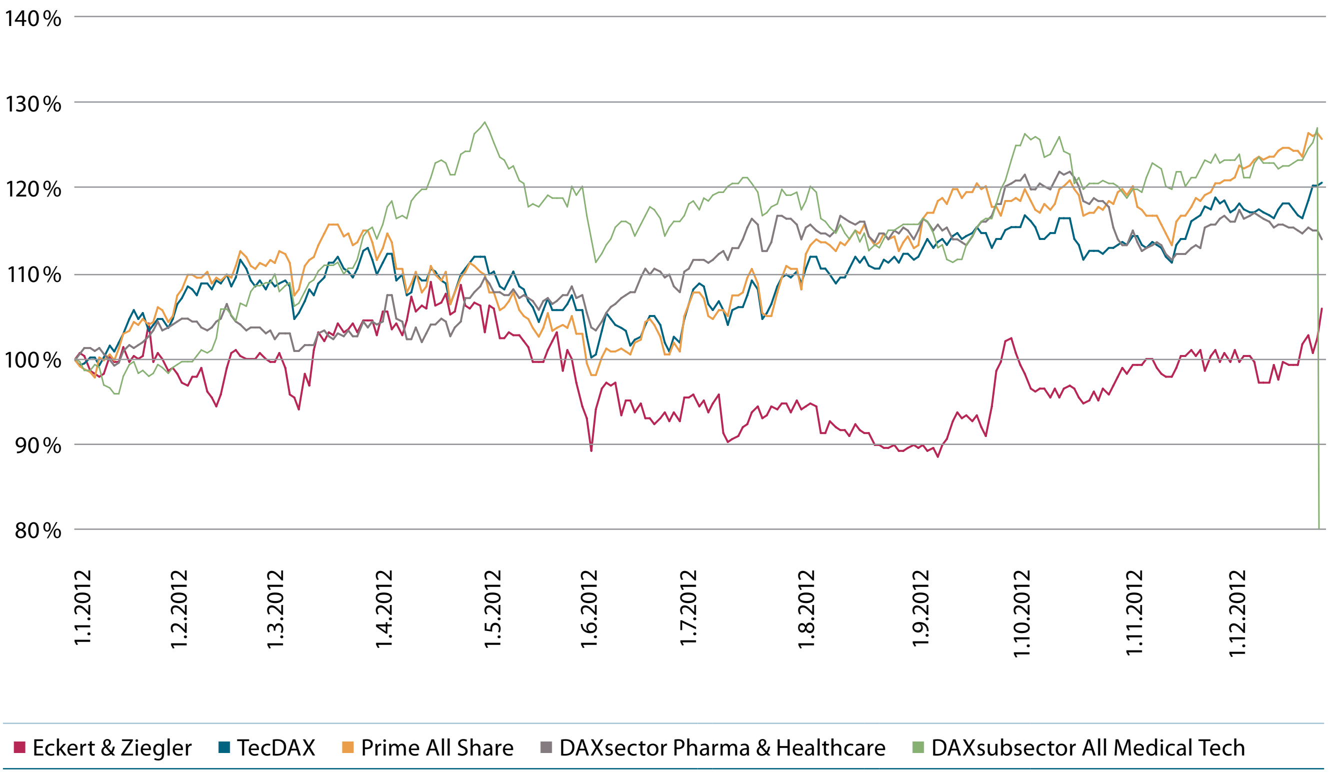
EARNINGS PER SHARE OF € 1.95

In the period under review, the Eckert & Ziegler Group generated consolidated earnings per share of € 1.95. Earnings per share is calculated by dividing the consolidated net income by the average number of shares in the fiscal year.

DIVIDEND OF € 0.60

The company intends to continue its dividend policy of the past years and distribute roughly a third of consolidated net income as dividends. The Executive Board and Supervisory Board will therefore propose to the General Annual Meeting on May 17, 2013, a dividend of € 0.60 per share for fiscal year 2012. Based on the annual closing price of € 23.67, this works out as a dividend yield of 2.5 %. In comparison, the average dividend yield of the seven TecDAX stocks that cover the healthcare sector stands at just about 1 %.

DYNAMIC PERFORMANCE OF THE ECKERT & ZIEGLER SHARE IN 2012 (INDEXED AT 100)



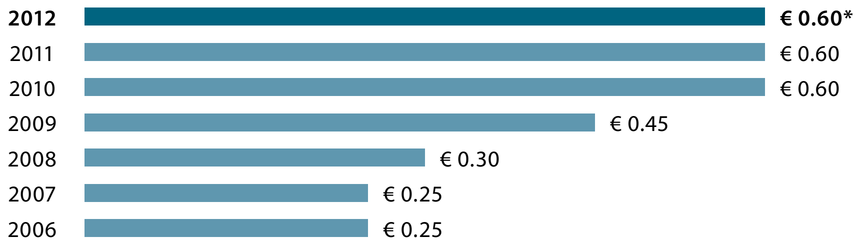
ANALYST RECOMMENDATIONS

In the period under review, Hauck & Aufhäuser, BankM, and DZ Bank published a total of eleven studies and brief analyses on Eckert & Ziegler. All studies came to the same conclusion: "Buy."

RATING

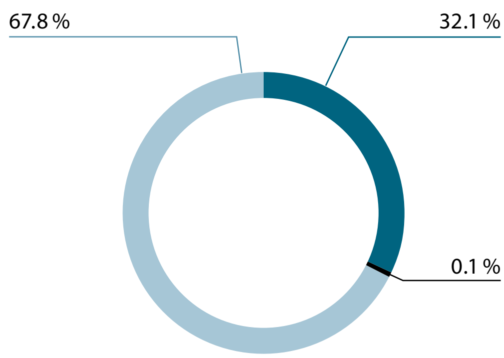
The Deutsche Bundesbank certified Eckert & Ziegler AG as being "eligible" (category 4), thereby demonstrating the company's good credit rating. The Bundesbank assesses credit rating based on a scale of one to seven.

DIVIDENDS PAID BY ECKERT & ZIEGLER AG



Proposal to the Annual General Meeting on May 17, 2013

SHAREHOLDERS' STRUCTURE AS OF DECEMBER 31, 2012



■ Eckert Wagniskapital- und Frühphasenfinanzierung GmbH ■ Free float ■ Eckert & Ziegler AG

INVESTOR RELATIONS

The objective of our investor relations activities is to provide private shareholders, institutional investors, financial analysts, and the press with open and timely information about the company. Essential components of this communication with the capital market comprise of stock exchange and press releases, quarterly reports, interviews, and conference calls. At the press conference on the financial statements held in March, the Entry and General Standard Conference in May, the Annual General Meeting in May, the Equity Forum in November, and several investor rounds in Frankfurt, London, Paris, and Zurich, the Executive Board also presented information regarding new developments and, in cooperation with the employees from the Corporate Communications and Finance departments, were available year-round for enquiries or visits by interested parties.

Published studies by stock analysts and other company information can be found on our website under *www.ezag.com > Investor Relations*.

If you would like to join the IR mailing list and receive stock exchange and press releases regularly by e-mail, call or e-mail us now.

Social commitment

At its various locations Eckert & Ziegler is engaged in projects and initiatives through financial support and the personal commitment of its employees. In this respect, we have set strategic priorities. In particular, the company supports initiatives for education, science, and research, as well as other projects in the region of individual company locations.

Several years ago, Eckert & Ziegler launched the “Forschergarten” (*www.forschergarten.de*) project in cooperation with the Life Science Learning Lab Gläsernes Labor in Berlin-Buch campus and the Friedrich-Fröbel School for Social Pedagogy in order to promote science education among young children. The idea of this initiative is to make science and technology come alive for children in kindergartens and primary schools, thereby reducing their fear of the unknown and enhancing the quality of education during early childhood. The response to the initiative, which now includes over 100 kindergartens and primary schools in the Berlin region, has been extremely positive. More than 20,000 children took part in the initiative in 2012. Due to popular demand, the course range has been enhanced and now includes physics classes. Under the motto “Atoms you can touch,” a program was developed in 2012 that aims to convey the basics of radiation to high school students in a practical and visual manner. Among other things, the students are allowed to detect natural radioactivity in building materials or tap water using a Geiger counter, and gain an insight into the use of radiation in medicine.

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

Since 2011, Eckert & Ziegler has supported the initiative "Bucher Füchse" (Buch foxes), a local environmental education project that enables elementary school students in Berlin to undertake scientific explorations in woods and fields. A forest educator accompanies the children on their expeditions through flora and fauna and explains natural phenomena. Why are all plants green? How clean are our streams? In this way, the children experience nature up close and are encouraged to think about the natural world.

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

Small photo above: Employees taking part in the National Multiple Sclerosis Society's Annual "Walk MS" to raise awareness about multiple sclerosis.

Small photo below: The Eckert & Ziegler travel grant is awarded to five outstanding nuclear medicine scientists.

Eckert & Ziegler joined forces with the European Association of Nuclear Medicine (EANM) for the fifth time in 2012, and awarded a prize to young scientists in nuclear medicine. The "Eckert & Ziegler Abstract Award" aims to encourage young scientists to present their ideas to a wider audience and to exchange ideas with other researchers in nuclear medicine. The five Abstract Awards, each worth € 1,000, were presented to five talented nuclear medical scientists from Italy, Switzerland, and the USA at the EAMN's Annual Congress in Milan in October 2012. The winners were chosen from 563 entries by a jury of the European Association of Nuclear Medicine (EANM). The most outstanding achievements were made in the fields of oncology, cardiovascular and pulmonary diagnostics, and oncology therapy. A 17 % year-on-year increase in attendance shows the great interest in this competition.

Our foreign subsidiaries are also involved in social projects. Eckert & Ziegler sponsors and donates to a team of American employees who raised more than USD 30,000 in donations by taking part in the National Multiple Sclerosis Society's annual "Walk MS" against multiple sclerosis. The donations will go towards research into fighting the disease, which is still incurable, while those afflicted with the disease will receive financial support. The fundraising campaign has been one of our projects for many years. At our Californian subsidiary, employees volunteered at the local homeless shelter. Eckert & Ziegler also supported the homeless shelter by matching employees' monetary donations to the shelter and collecting and contributing to in-kind donations.

Environment and safety

Occupational safety

Protecting our employees from work-related dangers has top priority at Eckert & Ziegler. We intend to reduce even further the number of accidents at our company, which is low compared to other industrial corporations. We are working towards this goal together with the relevant authorities and employers' liability insurance associations.

In the period under review, the number of work-related accidents – at seven per 1,000 full-time employees (prior year: nine) – was significantly below comparable values for 2011 of approximately 20 work-related accidents per 1,000 full-time employees in Germany, according to the 2011 annual report of the Employers' Liability Insurance Association for Electrical Engineering, Textiles and Precision Mechanics (Berufsgenossenschaft Elektro Textil Feinmechanik). The comparable value according to the 2011 annual report of the Employers' Liability Insurance Association for Raw Materials and Chemical Industry (Berufsgenossenschaft Rohstoffe und chemische Industrie) was 19. The year under review saw two radiation protection incidents (prior year: three) throughout the Group. However, it is important to note that the radiological incidents in recent years were merely deviations from normal operations. None of the incidents were safety-relevant. The competent authorities were informed in accordance with radiation protection regulations or specific conditions set forth by the respective authorizations. Although neither persons nor the environment were harmed, the causes were examined in painstaking detail in each case, and measures were taken in conjunction with regulatory agencies to avoid similar incidents in the future. The precautions taken consisted mainly of organizational and administrative changes to the work processes in question.

	2012	2011	2010	2009	2008	2007
Work-related accidents (in absolute values)						
Reported work-related accidents	4	5	3	3	6	5
Reported accidents en route to work	5	6	1	5	2	1
Reportable work-related accidents (per 1,000 employees)						
Reported work-related	6.7	9.1	5.9	5.9	11.8	9.8
Reported accidents en route to work	8.4	10.9	1.9	9.8	3.9	1.9
Radiation protection						
Radiological incidents*	2	3	0	2	1	1

** Reportable events in compliance with radiation protection regulations or specific conditions set forth by the respective authorizations.*

Headquarters of Eckert & Ziegler in Berlin-Buch

Environment

The Eckert & Ziegler Group is considered to be part of the metalworking or chemical and pharmaceutical industries. Like all industrial companies, it is subject to comprehensive rules and regulations that include guidelines on environmental impact. These rules and regulations often prescribe both limits on emissions as well as their monitoring. The guidelines usually stipulate that independent third parties or government authorities should be responsible for monitoring. The quality of the data can therefore be considered to be of high quality. In the period under review, there were no incidents that led to limits being exceeded. Furthermore, no serious deviations from requirements were recorded in the period under review in terms of the quality management system (DIN EN ISO 9001:2008; EN ISO 13485:2003 + AC:2009; etc.).

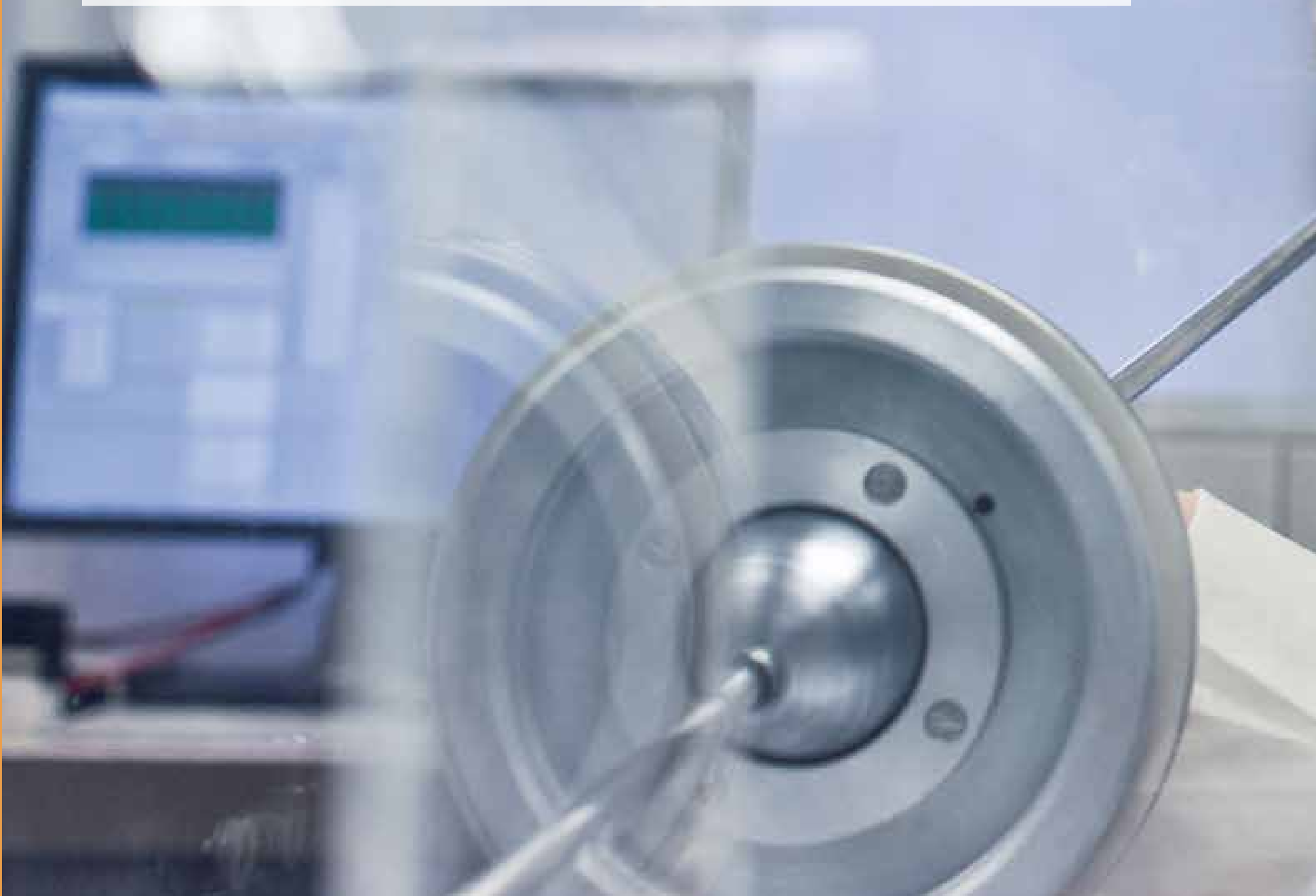
We focus on energy-saving design and construction for new buildings and renovations. The Group headquarters in Berlin-Buch, which we moved into in 2012, is a prime example. The sustainable construction and facilities concept combines a variety of methods: improved insulation standards for the building envelope; district heating generated by combined heat and power; solar water heating for industrial water; solar-fed power from a solar-power system; and a double-flow ventilation system. Thanks to these measures, the building's calculated specific primary energy consumption of 154 kWh/m^2a is 25% lower than required by the strict conditions set forth in the Energy Conservation Regulation (Energieeinsparungsverordnung – EnEV).

By taking back used sources and processing them for new products, Eckert & Ziegler is making an additional contribution to environmental conservation. This recycling is extremely useful for all parties involved and helps conserve resources.

RADIATION THERAPY

Prostate implants from Berlin

They look like the lead of a mechanical pencil. The low-level radioactive rods used in brachytherapy are just 0.8 mm in diameter and offer prostate cancer patients a minimally invasive form of treatment in which dreaded side effects common to other treatment methods, such as impotence or incontinence, are far less common. The outpatient procedure involves implanting tiny iodine-125 implants, called seeds, directly into the prostate. Eckert & Ziegler has the technological expertise to manufacture these products. In fact, most of the seeds used for the brachytherapy across Europe are manufactured in Berlin. Thanks to the manufacturing and technological expertise in handling radioactive material that Eckert & Ziegler has steadily built up over the past 20 years, there's no doubt about our leadership in this niche market.



4.5 mm

length of a seed

GROUP MANAGEMENT REPORT

Production of radiopharmaceuticals in a clean room

1. The Group

The Eckert & Ziegler Group (Eckert & Ziegler) is an internationally active specialist for radioactive applications in medicine, science and industry. The Group consists of 27 companies, including minority interests, in addition to the parent company, Eckert & Ziegler Strahlen- und Medizintechnik AG, a listed Aktiengesellschaft (joint-stock company) under German law with headquarters in Berlin. Eckert & Ziegler is managed by an Executive Board. The members of this Executive Board include its Chairman and the heads of selected Group segments.

The company's core competencies include handling and processing 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 devices for cancer therapy as well as synthesis equipment for the production of radiopharmaceuticals. Plant engineering and disposal of low-level radioactive waste round out the radioactivity portfolio.

There are relatively few providers in the international markets in which Eckert & Ziegler operates. Eckert & Ziegler has no direct competitor that offers the same wide range of products. Its competitors each only serve special market niches. This situation is unlikely to change in the future due to the fact that competitors always have to fulfill strict regulatory requirements prior to gaining authorization for market entry.

Subsidiaries in the four segments – Radiation Therapy, Radiopharma, Isotope Products and Environmental Services – are responsible for the operative business activities. With their various product groups, the subsidiaries are oriented towards diverse customer groups. An additional segment that reflects the costs and income of Eckert & Ziegler Strahlen- und Medizintechnik AG as a holding company is not operationally active.

The Isotope Products segment produces radioactive components for imaging processes, scientific applications, quality assurance, and measurement purposes. The segment's headquarters are located in Los Angeles, California, USA. The acquisition of Braunschweig-based nuclitec GmbH (now Eckert & Ziegler Nuclitec GmbH), the largest competitor at the time, significantly increased the size of the segment in 2009. In 2012, the Group took over 100 % of the shares in US-based Vitalea Science, Inc. The company operates an accelerator mass spectrometer, which is used to measure carbon-14 isotopes for medical and industrial applications.

left:
MultiSource® after-loader for the treatment of cancer

right:
Modular Lab PharmTracer. Synthesis system for the pro-duction of radio-labeled compounds.

The Radiation Therapy segment targets its products at radiation therapists, a group of doctors that is specialized in treating cancer through irradiation. Its most important products are small radioactive implants for treating prostate cancer on the basis of iodine-125 (known as “seeds”) and tumor irradiation equipment on the basis of cobalt-60 or iridium-192 (known as “afterloaders”). Since 2008, the Radiation Therapy segment has been operating under the umbrella of Eckert & Ziegler BEBIG s.a., which is listed on the NYSE Euronext in Brussels. The company name was changed from International Brachytherapy s.a. to Eckert & Ziegler BEBIG s.a. in 2011. As of the balance-sheet date (December 31, 2012), Eckert & Ziegler held a 74 % share in the company’s earnings / losses and 79 % of the voting rights at the Annual General Meeting.

The Radiopharma segment is based in Berlin and has additional locations in Mainz, Bonn, Braunschweig, and Washington, DC, USA. Its products include radioactive contrast agents for positron emission tomography (PET), synthesis modules for producing radiopharmaceuticals, and quality-control equipment. The modules and equipment are used both in nuclear diagnostics and therapy as well as in research. Pharmaceutical-grade yttrium-90 is another one of the segment’s products. This substance has a number of uses, such as in the production of radioactive embolizers for the treatment of liver tumors. The segment’s products are sold worldwide, with the exception of PET diagnostic agents, which are limited to Germany and neighboring regions.

Since 2010, the Environmental Services segment has been reported separately. The Braunschweig-based segment is responsible for taking back and processing low-level radioactive waste and preparing it for final storage. The segment was established to offer customers of the Isotope Products segment the option of returning radiation sources. In particular, the customer base also includes hospitals and other institutions that produce low-level radioactive waste. Additionally, the segment also offers project-based services for the decontamination of plants and waste conditioning. In these cases, the radioactive substances remain the property of the customer.

The markets of the four operative segments are only loosely interconnected. Each has its own cycles and distinctive characteristics. There are also national differences in terms of general conditions. This is particularly the case with medical products, where the intensity and dynamics of demand are influenced by the level of services provided by national health care systems and the presence of local competitors.

2. Net assets, financial position, and results of operations

2.1 BUSINESS DEVELOPMENT

The constant sales growth of recent years continued unabated in 2012. Consolidated sales grew by € 3.8 million, or 3 %, from € 116.2 million to € 120.0 million. The growth in sales is in part attributable to the performance of the exchange rate of the US dollar. The weighted average exchange rate improved in Eckert & Ziegler's favor by 8 %. As 39 % of consolidated sales benefited from this improvement, € 3.8 million of the Group's growth was due to currency effects. The acquisitions in the US – the equipment division of Bioscan, Inc. (included in the scope of consolidation for only six months in 2011) and Vitalea Science, Inc. (included in the scope of consolidation for only four months in 2012) – also generated further growth. Together, these acquisitions contributed € 0.5 million to sales growth. Net of currency effects, the Group saw an organic sales decrease in real terms of € 0.5 million. The Group's sales have more than doubled over the past five years. On average, consolidated sales have grown by 17 % per year since 2007.

The Isotope Products segment once again recorded the strongest growth in absolute terms. Sales in the segment increased from € 54.6 million in the prior year to € 56.1 million in 2012. The change in exchange rates described above had the greatest effect on this segment. Net of currency effects, sales were below the prior year's level, with the exception of the medical division. At 12 %, the Environmental Services segment generated the largest relative growth rate, thanks to a new major order. The development of the Radiation Therapy segment, which grew by 4 %, can also be seen as positive. This was due to an increase in sales of tumor irradiation equipment as well as an agreement on the out-licensing of production for the CIS market. Sales growth in the Radiopharma segment has slowed, the sales increase being mainly attributable to the acquisition of the equipment division of Bioscan, Inc.

Europe including Russia accounted for a total of € 69.6 million in sales in 2012, corresponding to an increase of € 0.6 million year on year. The key European markets were Germany, at € 25.0 million, and France, at € 9.5 million. However, the largest sales market for Eckert & Ziegler's products in 2012 was once again the United States, where goods worth € 31.4 million (predominantly in USD) were invoiced. As in the prior year, sales in USD accounted for 39 % of total consolidated sales. The Group was therefore just as dependent on exchange rates as in the prior year.

2.2 RESULTS OF OPERATIONS

Consolidated profit after taxes and minority interests fell slightly from € 10.4 million to € 10.3 million. The number of shares remained stable at 5.3 million. Earnings per share fell by € 0.03 per share to € 1.95 per share.

Despite the above-mentioned sales increase of 3 %, the gross margin only increased by 1 % on account of a disproportionately large increase in production costs. This was due in particular to the Environmental Services segment, where price-related additions to provisions for disposal as well as non-recurring expenses in connection with developing a new disposal channel and fulfilling increased regulatory requirements had an impact.

At a rate of 6 %, sales and distribution costs grew faster than sales. The 18 % increase in general administration costs had an even more negative impact. This was due in part to exchange-rate effects and non-recurring expenses for a major acquisition project that was ultimately called off. Other operating

left:
Quality control of measurement components

right:
Check sources and calibration sources for radiation measurement instruments

income rose by € 4.8 million, while other operating expenses went up by € 3.4 million. In both cases, the change is mainly due to expenses (€ 6.6. million) and the corresponding cost allocations (€ 6.7 million) in connection with the construction project in Berlin-Buch.

Interest income increased by € 0.4 million in 2012 due to higher interest on deposits and lower interest expenses on account of scheduled loan repayments. Consolidated profit before taxes (EBT) fell by € 2.8 million to € 17.5 million. In the prior year, income taxes were disproportionately high due to adjustments to deferred tax assets on losses carried forward. The tax ratio sank in 2012 back to the regular ratio of 33 %. In contrast, minority interests increased by € 0.5 million due in particular to good earnings in the Radiation Therapy segment.

2.3 DEVELOPMENT OF THE SEGMENTS

Isotope Products segment

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

The segment's main product groups are:
1. Radioactive components for industrial metrology
2. Radiation sources for nuclear imaging
3. Calibration and measurement sources
4. Raw isotopes and other products

Eckert & Ziegler has long had a positive market share of at least one-third of the global market in each of the three key product groups (radioactive components for industrial metrology, radiation sources for nuclear imaging, and calibration and measurement sources). The segment was able to maintain or improve this position and was even able to increase it to 100 % in sub-segments through the acquisition of nuclitec GmbH (now Eckert & Ziegler Nuclitec GmbH). Although some niches in this area returned impressive growth rates, the overall market, which today comprises a volume of approximately € 60 to 80 million, merely grew at about the same pace as global GDP. The industrial metrology product division successfully entered the market for robust drill hole sources in 2008. Calibration and measurement sources are sold segment-wide under the Isotrak brand name. These products in particular have an outstanding market position following various acquisitions. The fourth group makes use of Eckert & Ziegler's purchasing leverage to resell raw isotopes at a profit. Additionally, it realizes project sales of the American company Vitalea Science, Inc., which was acquired in 2012 and offers radiocarbon dating using carbon-14 isotopes for medical and industrial applications.

left:
Production of radio-active sources for use in metrology

right:
Low-level radio-active implants for the treatment of prostate cancer

The Isotope Products segment continued to develop positively in 2012. Sales to external customers increased by 3 % to € 56.1 million due to advantageous changes in exchange rates. Net of currency effects, sales were below the prior year's level, with the exception of the medical division. Production costs rose by about the same amount as sales, meaning that the gross margin increased by € 1.0 million in absolute terms. External administration costs increased significantly by € 2.2 million. This was due to exchange-rate effects as well as the above-mentioned extraordinary expenses for a major, late-stage acquisition project. External legal advisory services and due diligence reviews were ordered for this project. The project was called off in the third quarter of 2012. Sales and distribution costs and the remaining cost categories only increased slightly. Earnings before interest and taxes (EBIT) fell by € 1.4 million to € 15.9 million. As a result, tax expenses and minority interests also fell slightly. Earnings after interest, taxes and minority interests fell by € 1.1 million to € 9.8 million, or € 1.85 per share.

Radiation Therapy segment

The segment's main product groups are:

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

Eckert & Ziegler provides implants for treating prostate cancer in Europe and bordering regions only, where it is one of the largest providers. The relevant market for implants has a volume of approximately € 50 million in Europe. In recent years, however, growth rates in this market have increasingly slowed. Additionally, significant pressure on margins has been noticeable for several years. This pressure is due to a decrease in reimbursement and major American competitors, who have been taking advantage of the favorable dollar exchange rate to up their expansion efforts in Europe despite high transport costs. The strategic merger with former Belgian competitor IBt s.a. (now Eckert & Ziegler BEBIG s.a.) and the subsequent re-focusing of production in Berlin succeeded in further reducing the manufacturing costs per implant. Eckert & Ziegler remains competitive thanks to the economies of scale achieved.

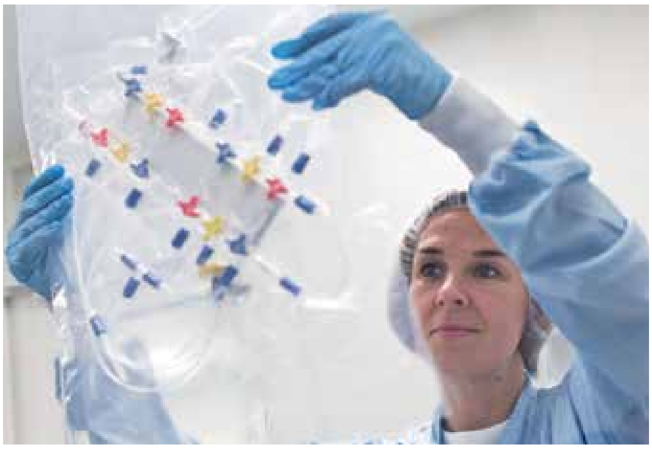
Although Eckert & Ziegler's share of the world market for tumor irradiation equipment is still low, it is growing far faster than the overall market. The primary sales markets are Russia, South America, Asia, and the Middle East. Today, annual global sales of isotope-based tumor irradiation equipment and the accompanying services are estimated at € 80 to 120 million. Their lower overhead costs give Eckert & Ziegler's equipment a competitive edge over competing products. Cobalt emitters are used in the majority of Eckert & Ziegler's devices. Cobalt has a significantly longer half-life compared to the iridium used in competing equipment. As a result, the radiation source of Eckert & Ziegler equipment does not need to be changed as often, leading to cost and logistical advantages. This gives Eckert & Ziegler a competitive edge that leads to a higher market share, especially in developing and emerging countries.

Production of low-level radioactive implants for the treatment of prostate cancer

Sales to external customers increased by 4 %, or € 1.4 million. While sales of prostate implants were negatively impacted by price pressures due to falling reimbursement rates and competing treatment methods, sales of tumor irradiation equipment continued to rise. The prior year's figures contained final sales from the major order to supply production machinery for prostate implants to Russia. A new major order from Russia was also placed in 2012 covering the out-licensing of the production of tumor irradiation equipment for the CIS market. The Radiation Therapy segment's main sales markets are the European Union and neighboring regions (such as Russia), which accounted for more than 80 % of sales to external customers, or € 26.3 million of total sales of € 31.8 million. The remaining € 5.5. million in sales were mainly spread among exports to Africa, South America, and Asia.

The segment's gross margin grew at a slower rate than sales due to the drop in prices for prostate implants and the shift in favor of low-margin tumor irradiation equipment. Sales, distribution, and administration costs fell by a total of € 0.3 million year on year, while expenses for research and development increased by € 0.4 million. Other operating expenses declined by € 0.4 million because of value adjustments on receivables of roughly € 0.5 million in the prior year. In total, earnings before interest and taxes (EBIT) rose by 10 % to € 4.9 million. Scheduled loan repayments saved an additional € 0.3 million in interest. The prior year was negatively affected by unusually high tax expenses due to adjustments to deferred tax assets on losses carried forward. Compared to 2011, tax expenses fell by € 2.4 million. Due to the increase in post-tax earnings, minority interests also increased to € 0.9 million. As a result, the segment contributed a total of € 2.6 million, or € 0.49 per share, to net income.

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



left:
Quality control of diagnostic radio-pharmaceuticals

right:
Production of sterile kits for the Modular Lab synthesis system

	Radiation Therapy segment of Eckert & Ziegler AG	Consolidated report of the listed Eckert & Ziegler BEBIG s.a.	Differences resulting from customer base, elimination of intercompany profits and tax adjustments
€ thousand			
Sales to external customers	**31,779**	**31,779**	**0**
Other costs & income	– 27,246	– 26,942	– 304
EBT	**4,533**	**4,837**	**– 304**
Income taxes	– 1,020	– 968	– 52
Net income	**3,513**	**3,869**	**– 356**
Profit attributable to minority interests	– 944		
Income attributable to share-holders of Eckert & Ziegler AG	**2,569**		

Radiopharma segment

The Radiopharma segment comprises the synthesis module product group (Modular-Lab) for manufacturing radiopharmaceuticals, radioactive medicinal products for imaging using positron emission tomography, and pharmaceutical-grade yttrium-90 solution for radiolabeling. The synthesis module portfolio was expanded in 2011 through the acquisition of the equipment division of Bioscan, Inc., an American company. Radioactive contrast agents are compounds with a short life. They are produced in cyclotrons almost exclusively to order and supplied "fresh" every day.

The segment's main product groups are:
1. Synthesis modules and equipment for quality assurance
2. Cyclotron-based radiodiagnostics and other products
3. Yttrium-90 and contract-manufactured projects

The cyclotron-based radiodiagnostics and other products are primarily [18F] fludeoxyglucose (^{18}F; FDG), which is sugar radiolabeled with fluorine-18. The substance is used in approximately 200 hospitals throughout Europe in positron emission tomography (PET) to diagnose cancer. Eckert & Ziegler supplies the products to Germany, Poland, and Scandinavia, as well as to neighboring regions, making it one of the leading suppliers in Europe.

Contrast agents are used in nuclear diagnostics to image very small tumor clusters or metabolic disorders, for instance. Eckert & Ziegler produces the radioactive substances and synthesis equipment necessary to make these agents. Pre-clinical and clinical trials to test efficacy and tolerance are an important part of the development of medicinal products. Using radiolabled substances makes it possible to image the distribution of the medicinal product being tested in the body.

left:
Production of radiopharmaceuticals in a clean room

right:
Labeling of injection vials

The Radiopharma segment has recorded significant double-digit growth rates in recent years. The cyclotron-based radiodiagnostic products grew, albeit it only slightly, despite their high market share. The synthesis module product division benefited from the acquisition of Bioscan's equipment division, thereby providing the actual growth in segment sales. Sales in yttrium-90 contract manufacturing fell slightly, as the segment was unable to find a replacement for the loss of a major customer.

Changes in sales and increase material costs in the cyclotron field sent manufacturing costs soaring. This was exacerbated by an increase in transport costs to enable the Group to supply customers of the new location from Berlin starting immediately. However, the Group did not record any significant increases in administration and development costs. Overall, EBIT fell by €0.9 million to €2.2 million. Despite a new financing agreement for the Polish production site, interest costs remained unchanged due to repayments elsewhere. Tax expenses also decreased on account of the lower pre-tax profits. A takeover of minority interests was agreed on in the most profitable cyclotron product division, which reduced the costs for minority interests by 97%. In the future, these costs will no longer apply. As a result, segment profit after taxes and minority interests totaled €0.8 million, down €0.4 million year on year. The segment therefore contributed €0.15 per share to net income.

Environmental Services segment

The Environmental Services segment has been reported separately since 2010. The Eckert & Ziegler Group acquired the business in 2009 when it took over nuclitec GmbH (now Eckert & Ziegler Nuclitec GmbH).

Its services can be categorized as follows:

1. Taking back radiation sources from customers of the Isotope Products segment
2. Taking on of low-level radioactive waste
3. Decontamination and waste conditioning projects

The segment's main activity is taking back radiation sources, which complements the Isotope Products segment very well because it improves customer loyalty by taking back the used sources. This also enables the Group to process the sources and re-sell them. This recycling is extremely useful for all parties involved and helps conserve resources.

Additionally, the segment also offers to accept low-level radioactive waste from hospitals and other institutions. By doing so, the waste becomes the property of Eckert & Ziegler along with the responsibility for preparing it for final storage. 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 providers authorized to take on low-level radioactive waste and transport it within Germany. This guarantees a stable sales basis. The Group expects to see increased demand for services related to “Konrad conditioning” in view of the planned opening of Schacht Konrad (Konrad pit) as a radioactive waste repository for Germany. However, it seems unlikely that the number of companies able to provide these services will increase. As a result, the segment anticipates rising sales in the long term, even without the need for a shift in market shares to Eckert & Ziegler’s advantage.

The segment’s sales to external customers increased in 2012 by 12 %, or € 0.7 million, to € 6.2 million on account of a new major order. The segment reported an after-tax loss for 2012 of € 1.6 million. Half of this loss is due to mainly price-related changes to the valuation of provisions for the disposal of waste accepted in the past. The other half is mainly attributable to non-recurring expenses in connection with developing a new disposal channel and fulfilling increased regulatory requirements.

2.4 FINANCIAL POSITION

The cash-flow statement begins with an increase in income for the period of 3 % to € 11.8 million, which corresponds to the income after taxes and before minority interests from the income statement.

The non-cash expenditures and income totaling € 5.6 million in 2012 were added to this. This value decreased by € 4.7 million compared to 2011, in particular because non-cash tax expenses fell significantly and the long-term receivables from the major Russian order were eliminated. Gross cash flow, the sum of the information reported so far, fell by a total of 20 % to € 17.4 million.

Compared to the prior year, less liquidity went into changing current assets and liabilities. In 2011, net working capital increased by € 1.6 million. An additional € 0.8 million was added in 2012. Receivables increased the most in the Isotope Products segment, where the days sales outstanding (DSO) rose from 48 to 61 days.

Cash inflow from operating activity, calculated as the sum of the effects described above, fell by 18 % to € 16.6 million compared to the record year 2011.

Investments increased year on year by 7 % to € 9.8 million. In 2012, investments focused in particular on building up the Polish production site and introducing uniform ERP software throughout the Group for accounting, sales and distribution, purchasing, and production. The sum also includes a payment of € 1.5 million for a loan and share-option agreement with Eckert Wagniskapital und Frühphasenfinanzierung GmbH (EWK).

Cash outflow from financing activities amounted to € 6.6 million in 2012. As in the prior year, the Group distributed a dividend of € 0.60 per share, or a total of € 3.2 million. Compared to the prior year, more funds went to repayments. However, more loans were taken out. Third-party financing decreased in net terms by € 2.5 million. Debts fell by € 3.7 million in the prior year.

In total, liquidity was reduced in 2012 by € 1.5 million to € 30.8 million due to the increase in receivables, investments, dividend distribution, and repayments.

2.5 NET ASSETS

The balance sheet total grew in 2012 by 7 %, or € 10.1 million, to € 164.4 million.

The asset side contains the increase in tangible fixed assets of € 2.3 million, which was attributable in particular to the acquisition of Vitalea Science, Inc. as well as the investments in Poland. The increase in receivables and the decrease in cash and cash equivalents are explained in Section 2.4. Receivables grew more rapidly than sales, causing the days sales outstanding to rise throughout the Group from 57 to 61 days. In contrast, inventories and the cost of materials developed in a roughly proportional manner. The average storage period remained constant at approximately 100 days.

Total liabilities mainly increased because of the rise in equity by € 6.1 million as a result of the very positive annual profit. Equity grew at a faster pace than the balance sheet total, bringing the equity ratio up from 52 to 53 %. Along with equity, current liabilities also increased, especially trade payables. Loans have decreased as a result of loan payments.

2.6 EMPLOYEES

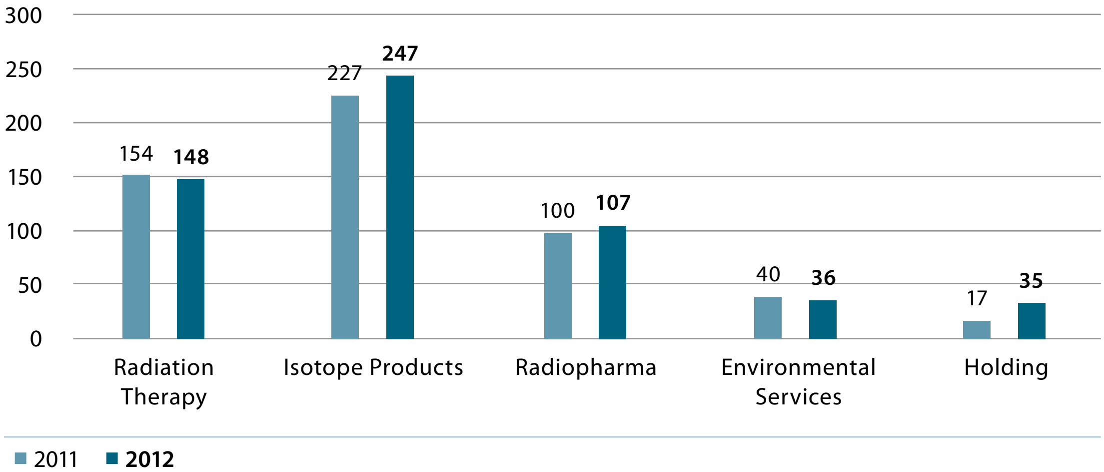
Development and structure of workforce

As of December 31, 2012, Eckert & Ziegler had a total of 611 employees (2011: 573) throughout the Group. The number or employees therefore increased by 6 % over the same period in the prior year. Half of this increase is attributable to the Isotope Products segment, where the acquisition of Vitalea Science, Inc. had the greatest impact. The remaining increase is evenly distributed among the remaining segments – Radiopharma, Environmental Services, and the holding company. Radiation Therapy was the only segment where the number of employees remained constant.

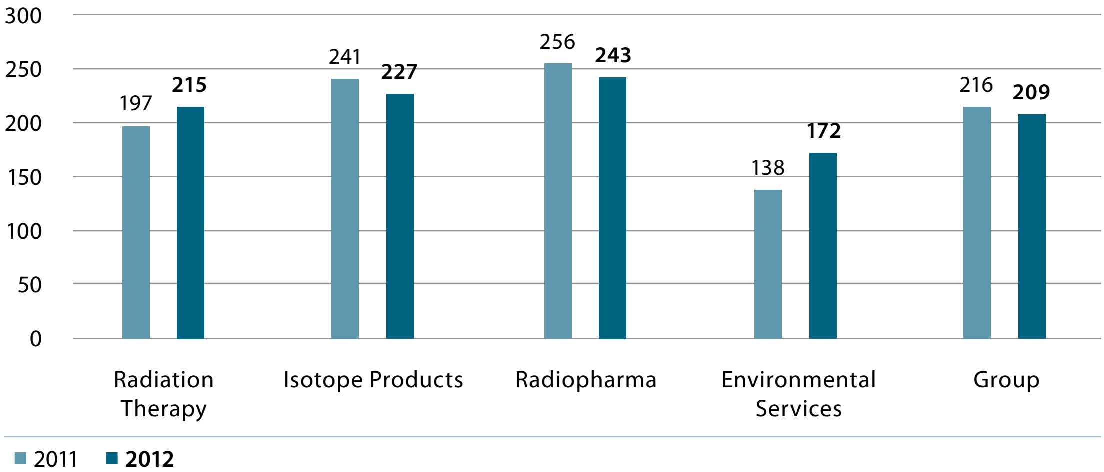
We base the remaining key figures pertaining to the number of employees on the definition set forth in the German Commercial Code (HGB), which reflects the average number of employees over the course of a year and excludes members of the Executive Board, general managers, trainees, and interns. However, all employees are counted on a per capita basis, meaning that all employees – including part-time employees – are counted in full.

According to this definition, the number of employees increased from 538 to 573. The fluctuation rate, the number of employees leaving the Group in the period under review, was 10 %. Despite being higher than the prior year's figure of 7 %, the rate was on the lower end of the average fluctuation rate in Germany of roughly 10 to 14 %. As in the prior year, the proportion of women in the total Group workforce was 39 % in the period under review. The percentage of women in managerial positions in 2012 totaled 30 % (prior year: 34 %). However, due to the definition detailed above, women in general manager positions are not included in this total. The average age of the Group's workforce in the fiscal year was 44 (2011: 43) with a focus on 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.

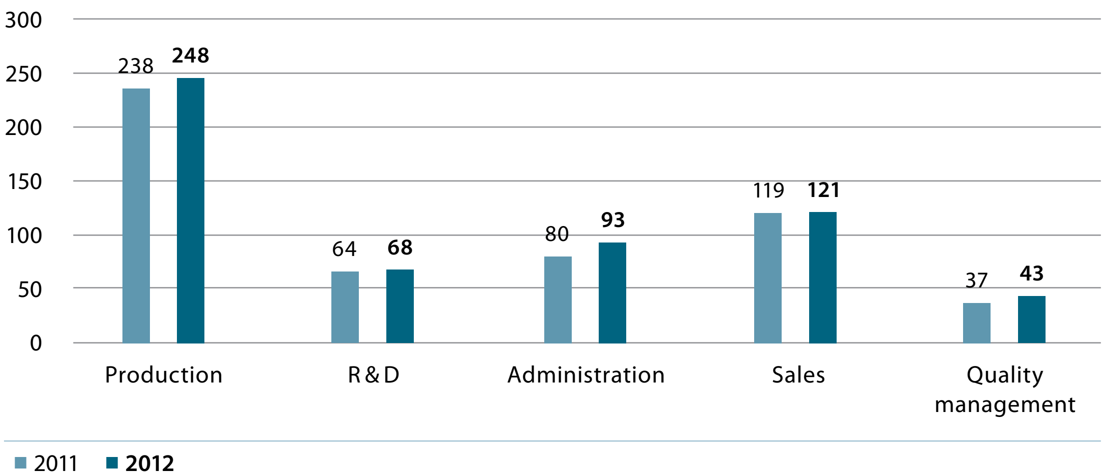
EMPLOYEES BY SEGMENTS



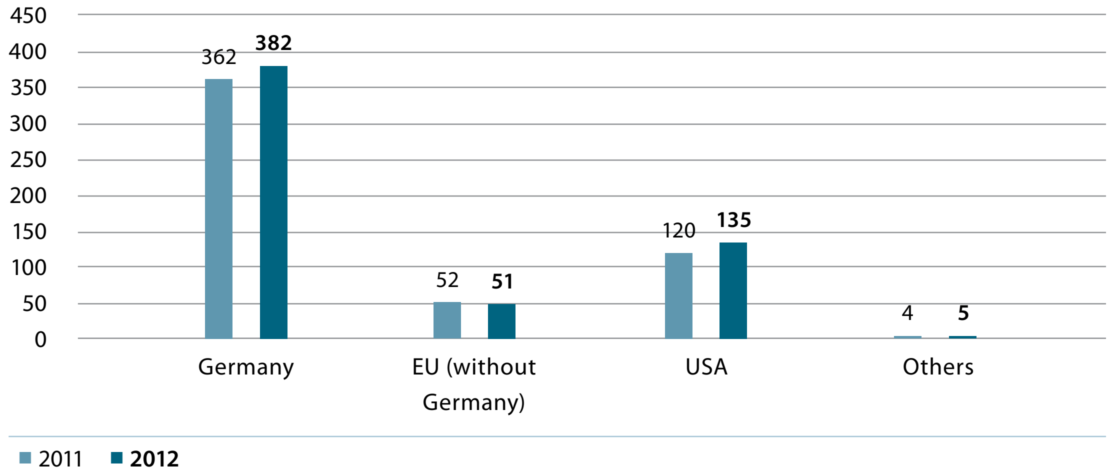
REVENUE PER EMPLOYEE (IN € THOUSAND)



EMPLOYEES BY FUNCTION



EMPLOYEES BY REGION



Personnel expenses

Personnel expenses totaled € 38.6 million in the period under review (2011: € 34.7 million). This results in average personnel expenses of about € 65 thousand in 2012 compared to about € 62 thousand in the prior year. The increase of 5 % results from pay raises and shifts in the educational and training background of staff.

The statements regarding the number of employees and personnel expenses include all employees except for members of the Executive Board. The remuneration of our employees consists of fixed and variable components as well as benefits that in part go beyond those required by law. At some Group companies, this includes, for instance, a company pension.

In order to better reconcile employees' interests with those of the company, Eckert & Ziegler has developed variable remuneration systems, which are used to determine the compensation of a growing number of non-executive employees. In 2012, more than half of the work forces was already sharing in the company's success through performance-related bonuses.

Striking a balance between family and professional life

As an attractive employer, Eckert & Ziegler supports its employees in striking a balance between family and professional life and offers flexible working hours, part-time employment, or preventative health care at many Group locations. Employee loyalty is maintained during parental leave through regular communication. The Group offers programs aimed at helping parents return to work after their leave time. As in the prior year, the percentage of part-time employees – the number of persons who worked less than the regular working hours – remained unchanged in 2012 at 13 %.

Training and continuing education

In Germany, Eckert & Ziegler offers apprenticeships. The Group employed nine apprentices in the period under review, who were training to become industrial clerks, mechatronic technicians, and IT specialists for system integration. By employing apprentices, Eckert & Ziegler makes a contribution to securing its own staffing needs and opens up career prospects for school graduates in an industry with a bright future. The Group was able to offer outstanding apprentices who successfully completed their training in 2012 a subsequent job.

In fiscal year 2012, numerous interns, students, and degree candidates took advantage of the opportunity to get to know Eckert & Ziegler as an interesting employer during the course of their time with the company. Many received an offer for permanent employment after completing their project.

The Group also supports the continuing education of employees as an investment in the future. Employees are given the opportunity for continuing education at seminars or workshops according to their training needs. The company also regularly offers in-house specialist courses and training measures. The Group invested a total of € 298 thousand (2011: € 286 thousand) in continuing education for employees in the fiscal year.

2.7 OVERALL STATEMENT CONCERNING THE ECONOMIC POSITION

With a new sales peak of € 120.0 million and earnings after minority interests of € 10.3 million, Eckert & Ziegler looks back on a successful 2012. Thanks to a cash flow that remains strong and a sound balance-sheet structure, we are comfortably positioned to be able to finance future growth – both organically and through acquisitions.

3. Research & development

Total expenditure on research and development, plus capitalized development costs and without amortization, decreased slightly from € 5.4 million to € 5.1 million in 2012. These values cannot be directly deduced from the income statement. The research and development expenses reported in the income statement increased from € 3.0 million in 2011 to € 3.4 million and contain amortization of € 0.2 million each. The amortization corresponds to the development activities in the prior year and must be calculated based on the key figures. In contrast, the capitalized development expenditures must be calculated additionally. Development activities worth € 2.7 million were capitalized in the prior year. The amount decreased to € 1.9 million in 2012.

The fact that the innovation ratio in the period under review was 16 % makes clear how much a general orientation towards innovation shapes Eckert & Ziegler. This key figure indicates that around € 19.6 million in sales were generated with products that were only incorporated into the Group's portfolio in the last two years. The tumor irradiation equipment launched on the market in 2011 accounted by far for the largest share of this key figure. Compared to the prior year, when sales with new products according to this definition accounted for 28 %, or € 32.1 million, the percentage of sales attributable to new products fell, as the products launched before 2010 were excluded from the calculation. As a result, the products from Eckert & Ziegler Nuclitec GmbH, the last major acquisition, are not included in the key figure.

Specific details on the activities:
In the Radiation Therapy segment, efforts centered on the continuous development of the existing product portfolio for permanent and temporary brachytherapy. The goal is to implement new application options and further improve user-friendliness. In the past fiscal year, this included the development of a new version of PSID 5.0, the planning software for seed implantation. New and improved functions make handling for radiation therapists and medical physicists more user-friendly and open the door to new planning possibilities. Additionally, Eckert & Ziegler continues to work on developing new medical devices in close cooperation with oncologists, radiation therapists, and medical physicists.

In the Radiopharma segment, an additional synthesis device was developed for the Modular-Lab family of equipment, which is used to produce contrast media in nuclear clinics and other settings. The new multi-tracer production platform makes it possible for the first time to conduct different syntheses on the same device. Previously, a separate Modular-Lab had to be used for each nuclide to avoid pharmaceutical cross contamination. The new platform gives users in clinics more flexibility in the production of radioactive pharmaceuticals, thereby making production faster and more economical.

In the Isotope Products segment, development activities focused on the continuous testing and further development of our production methods with the aim of shortening the time it takes to produce existing product lines and optimize production processes. Additionally, several projects are being launched to improve the availability of certain radionuclides by developing new production methods, for example.

4. Events after the balance-sheet date

In March 2013, Eckert & Ziegler BEBIG s.a. reached an out-of-court settlement with Core Oncology, Inc., thereby settling litigation concerning the repayment of a loan made to Core Oncology, Inc. Core Oncology agreed to pay back a total of € 1.7 million to Eckert & Ziegler BEBIG s.a. Eckert & Ziegler BEBIG s.a. had already written off the claim arising from the loan agreement in fiscal year 2010.

In February 2013, Eckert & Ziegler Isotope Products Holdings GmbH acquired all shares in Chemotrade Chemiehandelsgesellschaft mbH, Düsseldorf. The company focuses on the import and export of and trade in raw materials, chemicals, and chemical-technical products. The sale price of the shares amounted to € 490 thousand plus a contingent consideration to be calculated depending upon sales and earnings growth in fiscal years 2014 to 2018.

In January 2013, the Ministry of the Environment of the German state of Lower Saxony published a new fee schedule that reveals an increase in fees for accepting Konrad containers. Eckert & Ziegler anticipates non-recurring expenses of € 1 million in the Environmental Services segment that have yet to be more closely specified due to the corresponding change to the calculation of provisions for the disposal of old waste and, to a limited extent, the increase in the Group-wide provisions for the disposal of production machinery.

5. Opportunities and risks

Eckert & Ziegler's shareholders need to be aware that the company is exposed to a wide range of opportunities and risks that may influence the company's business activities and share price. This report outlines the risks and opportunities presented by the individual segments and their potential impact on the Group as a whole. Furthermore, it describes the Group's risk management system and the hedging measures in place.

5.1 RISK MANAGEMENT

The overall responsibility for risk management lies with the Executive Board. However, the operative responsibility (the early recognition, evaluation, management, and documentation of risks; the definition and implementation of suitable countermeasures; as well as the corresponding communication) lies primarily with the respective segment management and the management of the subsidiaries. This level below the Executive Board bears responsibility for the risk management in their area. In addition to the annual procedure for the structured recording of risks, operative management is required to constantly monitor its area for a changing risk situation. Fundamental changes to the specific risk situation for the area must be reported immediately to segment management and the Executive Board. Changes to risks with fundamental financial implications must also be reported to Group accounting.

Eckert & Ziegler's specialists and executives are questioned as part of the aforementioned annual process of structured risk recording. They are asked to name new and existing risks and classify them according to the probability of occurrence and their potential impact on the company. Preventative measures are taken, emergency plans are drafted, and regular evaluations are organized for these risks to the extent possible. Among other things, these include monitoring the market and competitors, evaluating scientific literature, analyzing customer complaints, and statistics on costs and sales. The assessment of the risks according to probability of occurrence and the potential extent of damages is reported to the Supervisory Board once a year.

Overall, a risk-minimizing approach is chosen. Existing risks are consistently monitored and are minimized or hedged by means of ongoing process improvements. New product developments and acquisitions are tested for potential risks from the very start and are incorporated into the risk management system. Market developments are monitored, as are the activities of competitors, with the aim of being able to modify and implement the Group's own strategies at an early stage.

The Supervisory Board – which is informed about and approves all key decisions, and is regularly kept up to date on economic developments – serves as an additional risk-hedging element.

5.2 FINANCIAL RISKS

The Group believes it is currently in possession of sufficient funds to secure its status as a going concern and its further development. It also believes it is in a position to meet all payment obligations, even if a slight increase in the gearing ratio should become necessary in coming fiscal years in order to secure growth through further acquisitions and finance the development of new products. The existing loans were paid back on schedule. A major acquisition project was pursued in 2012. However, it was canceled before its conclusion, which led to the aforementioned non-recurring expenses. The Executive Board had received approval for loans in the mid-double-digit-million-euro range on account of the planned acquisition. It also received several offers with affordable conditions for financing the construction of a production site in Poland, one of which was accepted. These financing offers indicate that the Group's credit rating is very good. The Executive Board sees the reason for this in the Group's sound financing with a high equity ratio as well as the good outlook of the profitable operating units. In addition to the high equity ratio, the balance-sheet ratios speak for the Group's credit rating, as the non-current assets are more than covered by equity and non-current liabilities.

The existing loan agreements contain covenants pertaining to the maintenance of various balance-sheet ratios. Eckert & Ziegler checks compliance with these ratios on a quarterly basis and in preparation for new investment and financing plans. For the sake of completeness, it is noted that these covenants were complied with and that no loan or line of credit line was revoked.

Due to third-party financing, the Group is principally exposed to risk resulting from a change in interest rates. However, the key loans have been taken out at fixed interest conditions and / or suitable interest rate swaps have been concluded. As a result, Eckert & Ziegler can effectively use a fixed interest rate as the basis for its calculations. The Group is therefore not exposed to risk from market interest rate fluctuations in its existing loans.

In view of planned investment projects, the Group concluded an interest rate swap at the beginning of 2011, when interest rates for long-term loans were relatively low, but already beginning to rise. Future investment projects can therefore effectively be financed at the interest rate valid at the start of 2011. However, because the prevailing swap rate has since fallen again, book losses occurred in 2011 and 2012. For the coming years, there is the opportunity to secure financing at a relatively favorable interest rate as well as a risk of further losses should investment projects fail to materialize and the prevailing swap rate fall further.

In addition to economic and technical development risks, Eckert & Ziegler is exposed to market interactions. These naturally result not only in income risks, but also liquidity risks, as the Group receives third-party financing for some of its acquisitions and issues guarantees for loans to subsidiaries. Even if management should react quickly and cut costs and / or abandon endangered business fields, the Group would remain susceptible in the event of problems. The Executive Board ensures to the greatest extent possible that the risks from granting loans or guarantees remains limited to a justifiable extent in relation to the Group's total assets.

The avoidance of financial risks is monitored and managed by tools such as annual financial planning with adjustments during the year and careful analysis of deviations from the plan. This makes it possible to identify potential risks at an early stage and launch suitable countermeasures.

Due to the high proportion of sales in the US, there is a degree of dependence on the exchange rate of the American currency. The impact of changes in the exchange rate is less than for conventional export business transactions because the subsidiary in the US that is responsible for the majority of these sales also incurs its costs in US dollars. For German exports, sales in foreign currencies are hedged by forward contracts and simple put options as necessary.

The Group bears a debtor default risk on account of its trade receivables. Risk exposure is primarily influenced by the size of the customer and the national regulations and customs for processing the reimbursement of medical services by public agencies.

New customers are generally assigned a credit score, and first deliveries generally require advance payment. Deliveries to customers that are considered a permanent risk due to their size or location are hedged by advance payment or letters of credit.

The risk is monitored by regular overdue analyses of all trade receivables.

5.3 LEGAL RISKS

The Group is susceptible to legal risks arising from lawsuits or legal proceedings by governments or government authorities in which it is either currently involved or that could arise in the future. The outcome of currently pending or future proceedings is not foreseeable. As a result, expenses could arise from decisions by courts or government authorities or from settlement agreements that are not or are not completely covered by insurance and could have a significant impact on financial position and results of operation.

There are currently no lawsuits or court proceedings that could have a substantial negative influence on Group earnings.

5.4 IT RISKS

Eckert & Ziegler is exposed to the risk of IT system outages. Damages could result in loss of data and, in the worst case, could interrupt operations. As security measures, backups are regularly performed, antivirus software is used, and servers are partly virtualized.

5.5 ACCOUNTING-RELATED RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Accounting-related risk management comprises all organizational rules and measures for detecting and handling the risks of financial reporting. With an eye toward the consolidated accounting process, the internal control system is intended to ensure that financial reporting conveys a realistic picture of the net assets, financial position, and results of operations in accordance with relevant laws and standards.

The consolidated financial statements contain the single-entity financial statements of Eckert & Ziegler AG as well as a total of 27 single-entity financial statements of domestic and foreign subsidiaries. Due to the number of companies and the subsidiaries' varying regional distribution, risks exist in relation to the goal of reliable accounting. These can manifest themselves in the form of delayed publication, false statements in the consolidated financial statements, or fraudulent manipulations.

To limit and manage these risks to the greatest extent possible, the company has taken the following key measures:

- Process-integrated controls (IT-supported controls and access restrictions, principle of dual control, separation of functions, and analytical controls)
- Central processing of financial accounting of the Isotope Products segment's German subsidiaries in Braunschweig and the remaining German companies at the headquarters of the parent company in Berlin
- Standard reporting packages for all companies included in the consolidated financial statements. Furthermore, the subsidiaries are supported by company advisors at the Group's headquarters who provide quality control for the data taken over and assist the subsidiaries with complex questions.
- Ensuring uniform accounting and valuation through uniform procedures and training on a Group-wide basis
- Analysis of the subsidiaries' monthly reports

As a listed company, Eckert & Ziegler is required to adhere to IRFS accounting standards. It must therefore calculate fair values for intangible assets as of the balance-sheet dates. However, as there are no markets with reliable price information for many intangible assets, the fair values are usually based on estimates or forecasts with serious uncertainties. As a result, there is principally a risk in terms of the recoverability of the intangible assets. Impairment tests are therefore conducted annually and when signs of impairment arise. Key assumptions are objectified by recognized rating agencies and peer groups or by consulting external experts in order to ensure the reliability of the estimates and valuations. Despite all of these measures, it cannot be ruled out that intangible assets may turn out to be non-recoverable and / or that their value could vary rapidly and significantly. Among other things, this also relates to deferred tax assets on losses carried forward, the valuation of which also depends on earnings forecasts. Because the Eckert & Ziegler Group is active in the manufacturing industry, it must maintain adequate inventories. However, it keeps inventories to a minimum in order to reduce costs and risks. Inventories are associated with impairment and inventory risks, which are limited by regular inventory and objective valuation involving analysis of future market and sales opportunities. Pension commitments result in actuarial valuation risks in Eckert & Ziegler's consolidated financial statements. External experts are commissioned to write actuarial reports to limit these risks.

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

5.6 PERSONNEL RISKS

In many business areas, Eckert & Ziegler depends on the specialized knowledge of its employees. The company depends on the knowledge and expertise of particularly highly qualified key individuals, especially when developing new business fields, as well as in development and sales and distribution. In order to minimize the risk of losing talented employees, the company strives to create a pleasant 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 ARISING FROM THE PRODUCTION AND HANDLING OF RADIOACTIVITY IN PARTICULAR AND RESULTING OPPORTUNITIES

Production risk includes the risk of being unable to source all raw materials and indirect materials at the required time and in the necessary quantities. This risk can never be fully excluded. However, it can be counteracted through warehousing and establishing alternative sources.

Both radioactivity itself and its use in medical or medicinal products entail product liability risks. Eckert & Ziegler addresses these risks by adhering to strict quality criteria. The majority of sites are ISO-certified, and the functionality of the quality management systems is regularly checked by both internal and external audits. In order to avoid accidents that could injure employees, cause damage to the environment, or prompt regulatory agencies to close down production facilities, employees regularly undergo training on occupational safety and radiation protection. Despite all these measures, it cannot be ruled out that events giving rise to liability could nevertheless 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.

Eckert & Ziegler is dependent on specialized service providers to ship products worldwide that are often transported as hazardous goods. It cannot be guaranteed that these offers are maintained in the existing form. Special official authorization is necessary for the manufacturing and shipment of many products. Eckert & Ziegler is only able to exert indirect influence on the issuing or renewal of such authorization.

Eckert & Ziegler has undoubtedly acquired a great deal of expertise as a result of its many years of handling radioactivity. This experience provides both a safeguard against new competitors entering the market as well as diverse 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, irradiation units, and radiopharmaceuticals, 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 terms of their product life cycles and in their customer and market structures. This diversification generally reduces the risk that competitors will undermine the company's business foundation with new and better products. Nevertheless, it cannot be ruled out that improved processes and efforts by competitors might cause the loss of important markets, thereby endangering the company.

To counter this threat, Eckert & Ziegler actively seeks to develop new products and to identify and develop new business fields. However, there is the risk that such efforts will remain unsuccessful and that new business fields can only be developed too late, or inadequately, or not at all. Furthermore, it cannot be ruled out that competitors might have greater success with other products or market launch strategies.

5.9 MAIN CUSTOMER RISK

Sales to the Group's five largest customers in the period under review totaled € 17.3 million, or about 14 % of total performance. As in the prior year, when the five largest customers accounted for a total of € 18.0 million (share: 16 %), Eckert & Ziegler's customer base remained broad.

5.10 RISKS AND OPPORTUNITIES IN THE ISOTOPE PRODUCTS SEGMENT

Oligopolistic market structures exist in many sub-segments. As a result, the loss of major customers can have a marked impact on the results of operations and sales. Eckert & Ziegler strives to hedge sales risks through medium- and long-term supply contracts. However, it cannot guarantee that it will always be successful in doing so 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 markets for certain raw materials, especially isotopes. Major suppliers include companies from Russia or the CIS (some of them state-owned enterprises), which are susceptible to political developments and strategies. An effort is made to conclude long-term supply contracts in order to hedge the risk.

In the Isotope Products segment, both production and transport processes take place between purchasing and sale. As radioactive goods are involved, these transport processes are subject to stricter regulations. These can lead to increased costs and transport times. There are no hedges in this context, as transport and regulation are beyond the control of Eckert & Ziegler.

The segment also relies on options for disposal of radioactive waste that results from taking back sources and production. The closure of disposal facilities can lead to significant increases in costs. Efforts are made to reduce the impact of this risk to the greatest extent possible through internal recycling. However, this uncertainty cannot be completely eradicated.

Eckert & Ziegler's outstanding market position in the segment's product areas – which is the result of acquisitions as well as excellent operative management of production and sales – creates opportunities to continue dominating the market, additionally increase sales and profitability, and further pursue the acquisition strategy.

5.11 RISKS AND OPPORTUNITIES IN THE RADIATION THERAPY SEGMENT

The development of the European market for permanent implants for the treatment of prostate cancer harbors significant risks for sales and results of operations. In European countries, this innovative treatment method still faces the problem that the reimbursement of costs by statutory health insurance programs essential for its economic success is either not at all or only partially secured in certain key countries. 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. The segment is attempting to enhance customer loyalty through an appealing service concept and long-term supply contracts, thereby hedging existing risks to sales and results of operations.

The sales risk with regard to irradiation units is due to the fact that investment decisions for capital goods could be stayed or delayed in light of the debt crisis prevailing in some parts of the world. In particular, this affects investments by government clinics in countries with a high level of debt and corresponding cutbacks. The market acceptance of Eckert & Ziegler's systems compared with equipment from competitors poses an additional risk. Efforts here focus on the factual arguments of sales staff in respect to the aforementioned competitive advantages as well as the further development of the segment's equipment in particular. A new generation of devices was unveiled in 2011, which led to significant growth in sales of the product group.

The Radiation Therapy segment sees opportunities from the further regional expansion in particular.

5.12 RISKS AND OPPORTUNITIES IN THE RADIOPHARMA SEGMENT

In the Radiopharma segment, a sales risk lies 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 sales might not develop as expected due to a partial lack of regulations concerning cost reimbursement by statutory health insurance programs.

Identical to the risk from investment projects in the Radiation Therapy segment, the equipment division of the Radiopharma segment is exposed to the risk of limited budgets from public customers. However, a significant proportion of the equipment is sold to pharmaceutical companies and private clinics.

The direct dependence on special project partners poses a particular risk in the area of contract manufacturing projects. One fundamentally established hedging measure consists in only developing systems used in contract manufacturing in exchange for advance payment. As a result, Eckert & Ziegler does not bear a direct financial loss if the customer goes bankrupt. At the most, this would have an impact on future earnings opportunities.

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

5.13 RISKS AND OPPORTUNITIES IN THE ENVIRONMENTAL SERVICES SEGMENT

The Environmental Services segment focuses on the recycling and disposal of radioactive waste. This segment has so far generated relatively constant sales of approximately € 5 to 6 million per year, mainly from taking back sources and components or the disposal of low-level radioactive waste. There is currently no radioactive waste repository for a substantial part of this waste. Such a location is not expected until 2019, at the earliest, when Schacht Konrad is scheduled to open. The Group has authorization to temporarily store such waste until it is ultimately handed over to the German government's radioactive waste repository. Corresponding provisions have been made for the disposal costs incurred in the future.

Special opportunities are seen in the expected opening of the Schacht Konrad radioactive waste repository and the associated surge in demand for the segment's services.

5.14 RISK DEVELOPMENT

Despite the growth in its range of products, there has been no increase in the risk profile for the Eckert & Ziegler Group that could threaten the existence of the company. Many existing 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 significantly impact fiscal year 2013.

6. Outlook

6.1 OVERALL ECONOMIC ENVIRONMENT

Following the crisis years 2008 and 2009, the year 2010 and the first half of 2011 saw positive economic developments, especially in Germany. Economic growth slowed down in the middle of 2011. In 2012, real gross domestic product grew only marginally in Germany and even decreased somewhat across the European Union. According to forecasts, this is set to improve only slightly in fiscal year 2013 due to the impact of the European debt crisis.

It is noteworthy that these external influences did not affect the development of sales and income at Eckert & Ziegler. Compared with other industries, economic slowdowns seem to have a minor disturbing influence on demand for medical devices and industrial radiation sources. The risk remains, however, that the operating business of Eckert & Ziegler could suffer more from weak global economic growth in the future. This will apply in particular if major projects of public institutions are cancelled due to government austerity measures or if plans are introduced to cut healthcare expenditure.

Among the general conditions, special importance is also given to the exchange rate of the US dollar to the euro. The California-based Isotope Products segment mainly produces in the USA. As the segment makes a significant contribution to the Group's earnings and liquidity, even minor changes in the exchange rate are directly reflected in the sales, expenses and income of Eckert & Ziegler. The average exchange rate for 2012 was USD 1.29 to € 1. At the time of preparing the financial statements, the exchange rate was somewhat above-average (approximately USD 1.30 to € 1). The average exchange rate for the first quarter of 2013 was slightly higher compared to fiscal year 2012, an unfavorable development for Eckert & Ziegler. However, no significant negative effects result from these minor currency fluctuations. It is difficult to forecast how exchange rates will develop throughout the remainder of 2013. This depends on numerous aspects including the development of budgets and the political situation in southern European countries as well as the US budget and trade balance deficits. Based on the current exchange rate, we have been presented with two conflicting forecasts: On the one hand, HSCB assumes that the exchange rate will rise slightly to USD 1.35 to € 1 by the end of the first quarter of 2013 and remain at this level for the rest of the fiscal year. On the other hand, analysts at BW Bank expect the exchange rate to decline continuously to USD 1.20 to € 1 by the end of 2013. If fluctuations keep within these ranges, Eckert & Ziegler will be able to manage any changes in the exchange rate and any substantial impact will be avoided. But if the exchange rate were to rise above USD 1.50 to € 1 for a sustained period of time, currency fluctuations would overcompensate organic growth and consolidated sales for 2013 would fall year on year.

The exchange rate also influences Eckert & Ziegler's competitive situation, in particular in the Radiation Therapy and Radiopharma segments. The weaker the dollar is, the better is the cost situation of US competitors. Accordingly, the pressure on sales prices and margins of Eckert & Ziegler increases if the US dollar falls.

The interest rate development reflects market participants' expectations in terms of economic situation and exchange rate, but is also influenced by the anticipated inflation – or rather by concerns about inflation – in times of rising public deficits. Eckert & Ziegler pays particular attention to the development of the long-term five- to 10-year interest rates, although these are only important for major future investment projects. All existing loans are taken out at a fixed interest rate or hedged by means of an interest rate swap. However, the execution of investment projects becomes less profitable and thus less probable as long-term interest rates increase.

To secure favorable interest rates from the beginning of 2011 for future projects, an interest swap was concluded at that time. This means that Eckert & Ziegler is now able to refinance itself on favorable terms in the long term, despite the fact that interest rates fell further in the course of 2012.

After having successfully completed the integration of IBt s.a. and Eckert & Ziegler Nuclitec GmbH in 2010, various small acquisitions were made in the USA in 2011 and 2012. These included Vitalea Science, Inc. and the equipment business of Bioscan, Inc. In Poland, the construction of a new production site was kicked off. Further acquisitions of varying sizes were made. Eckert & Ziegler intends to maintain the current sales level and achieve organic growth in 2013. The Group also plans to further pursue its acquisition strategy.

6.2 FUTURE BUSINESS DEVELOPMENT IN THE ISOTOPE PRODUCTS SEGMENT

The Isotope Products segment is very well positioned due to its market leadership for many products. This strong position has to be maintained. Organic sales growth for the segment is expected to exceed € 60 million in 2013. Income is estimated to increase disproportionately and come in at more than € 11 million, provided that the euro / US dollar exchange rate is not significantly higher than USD 1.30 to € 1. Further sales and income growth is forecast for 2014. Acquisitions are the main source of additional growth momentum.

6.3 FUTURE BUSINESS DEVELOPMENT IN THE RADIATION THERAPY SEGMENT

Forecasts are that the Radiation Therapy segment will again manage to exceed the sales threshold of € 30 million in 2013. Earnings after minority interests of just below € 2 million are expected for the segment. Sales are said to increase further to approximately € 32 million in 2014, resulting in income of more than € 2 million. Growth is driven by rising afterloader sales, in particular in emerging markets. In addition, the Radiation Therapy segment pursues a growth strategy that builds on new products and product improvements by a dedicated development department as well as regional expansion through new company formations and acquisitions.

6.4 FUTURE BUSINESS DEVELOPMENT IN THE RADIOPHARMA SEGMENT

The Radiopharma segment is expected to further grow sales to € 28 million in 2013. Earnings, however, are not expected to rise significantly higher than € 1 million. Sales are said to go up to more than € 30 million in 2014 and will be complemented by a substantial income plus. Income is forecast to exceed € 3 million in 2014. Sales growth is generated with new products and regions. The expected rise in profit for 2014 will be due to income from the new Polish production site, which is anticipated to incur losses until then. Acquisitions are also planned to be made in this segment.

6.5 FUTURE BUSINESS DEVELOPMENT IN THE ENVIRONMENTAL SERVICES SEGMENT

The segment is expected to generate € 7 million sales and incur another loss in 2013. Sales are forecast to exceed € 8 million in 2014, resulting in break-even earnings. Slow sales growth reflects the delayed order inflow and capacity bottlenecks in relation with interim storage. Apart from promoting new business, the segment therefore focuses on dealing with contaminated sites. Non-quantifiable opportunities for growth arise from preparatory work in connection with the planned opening of Schacht Konrad. This is expected to trigger a surge in demand for services of the segment.

6.6 FUTURE BUSINESS DEVELOPMENT IN THE GROUP

Total sales of approximately € 125 million, but at least € 130 million are expected for fiscal years 2013 and 2014 respectively. Taking into account losses from the holding segment, earnings after taxes and minority interests are forecast to be approximately € 12 million in 2013 and exceed € 15 million in 2014. After having announced the results for fiscal year 2009, we set the objective of doubling sales within five years, that is, to generate sales of € 200 million in 2014 while maintaining a constant profit margin. We still aim to achieve this goal, but know that this will only be possible through major acquisitions.

7. Corporate governance

7.1 DECLARATION ON COMPLIANCE

The company has issued a Declaration on Compliance. It is available on the website under *www.ezag.com > Investors > Corporate Governance > Declaration on Compliance*

7.2 REMUNERATION REPORT

The Executive Board remuneration structure is oriented toward providing an incentive for long-term successful corporate development. Therefore, it is a significant aspect of the remuneration structure to agree on variable compensation components with a multi-year measurement basis in addition to fixed compensation components. This combination ensures that remuneration of the Members of the Executive Board appropriately reflects both positive and negative developments.

The area of responsibility as well as the individual performance of the respective Member of the Executive Board are of particular importance when it comes to specifying total remuneration and splitting remuneration between various components. The financial position, success and future outlook of the company are also included in this evaluation. Ultimately, remuneration should be attractive and appropriate compared to competitors and within the context of the remuneration structure at Eckert & Ziegler.

The Supervisory Board determines the total remuneration of the individual Members of the Executive Board as well as the remuneration structure for a period of several years and performs regular reviews. Executive Board contracts were amended as of financial year 2011 according to the provisions of the German Act on the Appropriateness of Management Board Compensation (Gesetz zur Angemessenheit der Vorstandsvergütung, VorstAG), establishing a multi-year measurement basis for the calculation of any and all variable compensation components. Moreover, an option was introduced to limit Executive Board remuneration to a reasonable amount if and for as long as the economic situation of the company deteriorates.

Fixed compensation components are paid monthly as salary on a pro-rata basis. The Members of the Executive Board also receive additional benefits in kind, which primarily include use of a company car, a telephone and insurance premiums. As a rule, these are equally available to all Members of the Executive Board. The extent of fringe benefits, however, may vary depending on the individual member's situation. Being part of the overall remuneration of the Members of the Executive Board, these benefits are subject to taxes.

Profit-sharing bonuses are variable compensation components and are usually measured on a multi-year basis. This is based on a percentage of cumulative EBIT or net profit generated in the direct area of responsibility, observed over a defined period of multiple years. Partial payments are made annually after approval of the financial statements; final settlement will be made at the end of the defined period. A cap has been defined that applies in case of extraordinary developments. It is also possible to agree on variable compensation elements that are only based on an annual review of successes and do not consider the achievement of a specific objective or provide for a share in the annual profit or loss.

No severance payments have been agreed on in the event of premature or regular termination of a member's term on the Executive Board. Likewise, there are no pension commitments in the event of a member leaving the company. However, the company grants company pension benefits to two active Members of the Executive Board in the form of a so-called reinsurance-funded pension plan which is financed by deferred compensation.

8. Information required under takeover law

As of December 31, 2012, the company's nominal capital was € 5,292,983.00 (prior year: € 5,292,983.00), divided into 5,292,983 no-par value bearer shares. Each share represents one vote and is entitled to a share in profit. There are no shares with multiple, preferential or maximum voting rights.

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

According to the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG), every investor who reaches, exceeds or falls short of certain amounts of voting rights in the company by way of acquisition, sale or any other action must inform the company and the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin). The lowest threshold for the disclosure of voting rights is 3 %. The following direct or indirect shareholdings in the capital of the company that exceed 10 % of the voting rights were disclosed to the company as follows:

As of December 31, 2012, Dr. Andreas Eckert indirectly held 1,701,986 shares through Eckert Wagniskapital und Frühphasenfinanzierung GmbH, Panketal, Germany, and directly held 12,001 shares, amounting to a total of 32.38 % of the voting rights.

Shares with special rights that confer powers of control did and do not exist.

The Executive Board manages the company and represents it in dealings with third parties. Section 84 of the German Stock Corporation Act (Aktiengesetz, AktG) governs the appointment and dismissal of Members of the Executive Board. The Supervisory Board appoints the Members of the Executive Board for a maximum of five years. Repeat appointments or extensions of the term of office for a maximum of another five years are permissible. Such repeat appointments or extensions require another resolution by the Supervisory Board, which cannot be adopted earlier than one year prior to the expiry of the current term of office. The Supervisory Board can appoint a Member of the Executive Board to the position of Chairman of the Executive Board. The Supervisory Board can revoke an appointment to the Executive Board and the appointment of a Member of the Executive Board to Chairman of the Executive Board for good cause. Possible causes include serious breach of duty, the inability to properly manage a business and a vote of no confidence by the Annual General Meeting.

According to Section 6 of the Articles of Association, the Executive Board consists of one or more persons. The Supervisory Board determines the number of Members of the Executive Board.

The Articles of Association contain general provisions on the form of the company. Pursuant to Section 179 AktG, any amendments to the Articles of Association are subject to approval by the Annual General Meeting. Resolutions on changes to the Articles of Association require a majority of three quarters of the nominal capital represented.

On April 30, 1999, the Annual General Meeting passed a resolution, amended by the resolution of the Annual General Meeting of May 20, 2003, to contingently increase the company's nominal capital by a maximum of € 300 thousand, divided into a maximum of 300,000 no-par shares (contingent capital 1999). The contingent capital increase may only be implemented to the extent that the holders of stock options, which the Executive Board can issue according to the resolution of the Annual General Meeting dated April 30, 1999, use their rights to subscribe to shares in the company and the company does not fulfill the option rights by transferring shares in treasury stock or making a payment in cash. With the approval of the Supervisory Board, the Executive Board exercised the right to contingently increase capital by € 32 thousand and issued 31,650 no-par shares in fiscal year 2009. With the approval of the Supervisory Board, the Executive Board exercised the right to contingently increase capital by € 33 thousand and issued 32,700 no-par shares in fiscal year 2010. The "contingent capital 2009", as approved by the Annual General Meeting on May 20, 2009, was cancelled by resolution of the Annual General Meeting on May 24, 2012. Simultaneously, the Annual General Meeting passed a resolution for the creation of new contingent capital (contingent capital 2012), allowing to contingently increase the nominal capital by up to € 1,639 thousand. The contingent capital increase is only implemented to the extent that the holders of convertible or option bonds, participation rights or income bonds (or a combination thereof) use their conversion rights or meet their conversion obligation and that the company does not use shares in treasury stock, shares from authorized capital or shares of another listed company to fulfill these rights.

By resolution of the Annual General Meeting on May 20, 2010, the Executive Board is authorized to purchase own shares for purposes other than securities trading up to a share of 10 % in the nominal capital until November 19, 2015. The shares purchased under this authorization together with other shares in treasury stock of the company that the company already purchased, still owns or that are attributed to the company pursuant to Sections 71a et seq. AktG, may not exceed 10 % of the company's nominal capital.

As of December 31, 2012, the company held 4,818 (2011: 4,818) shares in treasury stock with a nominal value of € 5 thousand, which was deducted from subscribed capital in the balance sheet. No treasury stocks were acquired in the fiscal year.

There are no material agreements subject to a change of control as the result of a takeover bid. Furthermore, there are no agreements with Members of the Executive Board or employees regarding compensation in the event of a takeover bid.

Berlin, March 26, 2013

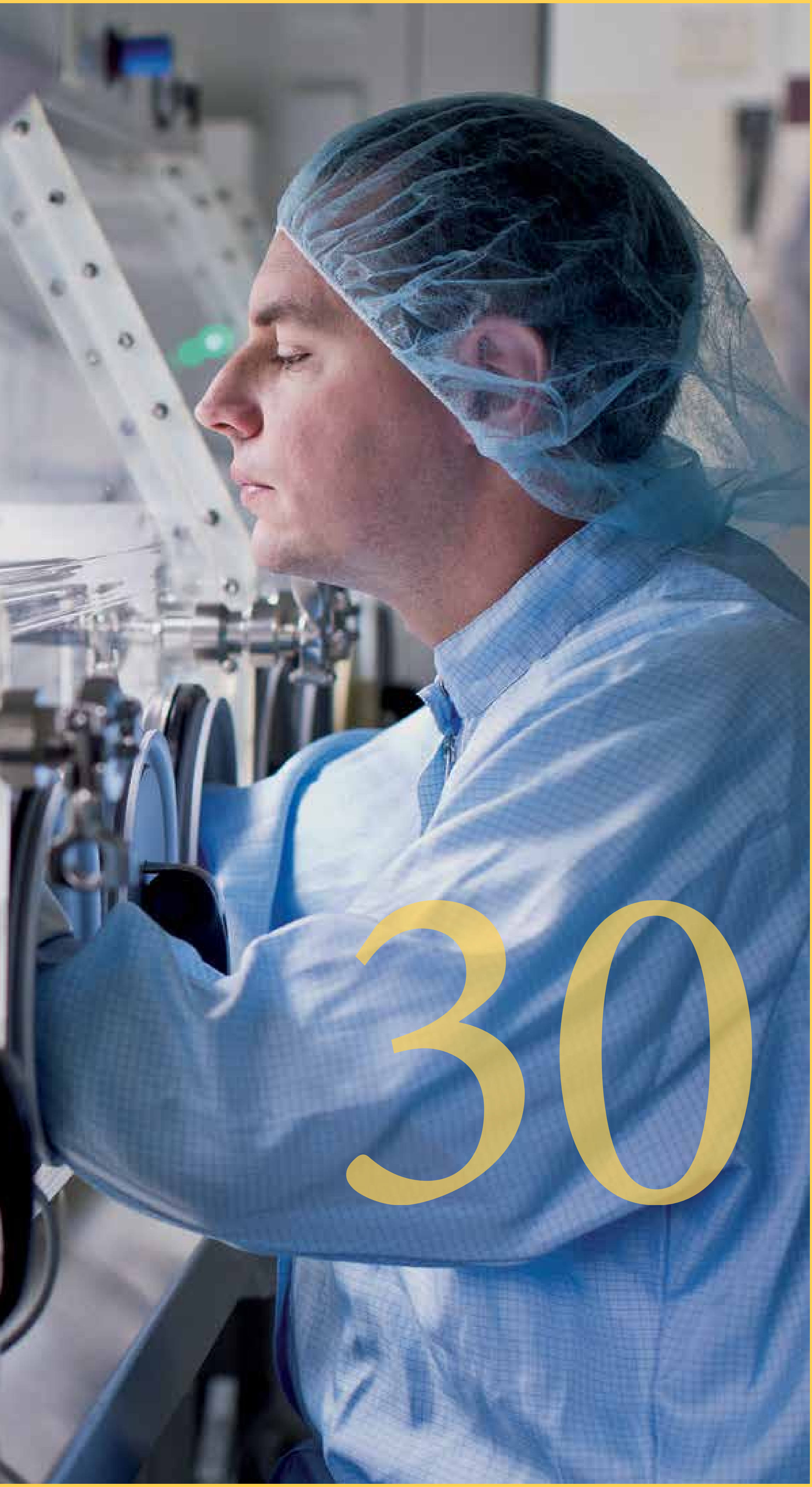
Eckert & Ziegler Strahlen- und Medizintechnik AG
The Executive Board

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

RADIOPHARMA

Tiny plastic spheres to treat liver cancer

They are 100 times smaller than a pinhead and are used for the palliative treatment of inoperable liver cancer: tiny radioactive polymer spheres. Millions of these spheres are passed through a catheter placed into the hepatic artery to the liver. The radioactive spheres remain in the fine branches of the artery for around two weeks and irradiate the surrounding tissue. Unlike external radiation, irradiation with the aid of the radioactive spheres is largely confined to the organ affected by the tumor. Eckert & Ziegler manufactures the yttrium-90 necessary for this treatment method in high-tech facilities, which means that the active substance produced is ultra-pure.



30 µm

diameter of a radioactive plastic sphere for the treatment of liver cancer

GROUP FINANCIAL INFORMATION

Consolidated financial statements

GROUP INCOME STATEMENT

€ thousand	Notes	2012	2011
Revenues	7.	**119,997**	**116,197**
Cost of sales	8.	– 54,814	– 51,785
Gross profit on sales		**65,183**	**64,412**
Selling expenses	9.	– 20,612	– 19,531
General administration costs	10.	– 22,766	– 19,222
Research and development costs	11.	– 3,454	– 2,999
Other operating income	14.	8,583	3,769
Other operating expenses	15.	– 7,000	– 3,584
Operating profit		**19,934**	**22,845**
Results from shares measured at equity	16.	–	– 108
Exchange rate gains		913	934
Exchange rate losses		– 1,119	– 770
Earnings before interest income and income taxes (EBIT)		**19,728**	**22,901**
Interest income	17.	526	220
Interest expenses	17.	– 2,794	– 2,891
Earnings before income taxes		**17,460**	**20,230**
Income taxes	18.	– 5,695	– 8,815
Profit or loss for the period		**11,765**	**11,415**
Profit attributable to minority interests	19.	1,472	997
Dividend to shareholders of Eckert & Ziegler AG		10,293	10,418
Earnings per share	20.		
Undiluted (EUR per share)		**1.95**	**1.98**
Diluted (EUR per share)		**1.95**	**1.98**
Shares in circulation on average (undiluted – in thousand units)		5,288	5,274
Shares in circulation on average (diluted in – thousand units)		5,288	5,274

STATEMENT OF COMPREHENSIVE INCOME

€ thousand	Notes	**2012**	2011
Profit for the period		**11,765**	**11,415**
thereof profit attributable to minority interests		1,472	997
thereof attributable to shareholders of Eckert & Ziegler AG		10,293	10,418
Change in the fair value of financial assets available for sale		0	0
Amount rebooked in the income statement		0	– 1
Income taxes		0	0
Change in the amount entered in the shareholders' equity (financial assets available for sale)	27.	**0**	**– 1**
Change in the actuarial profits (+) / losses (–) from performance-oriented pension commitments		– 1,786	– 610
Income taxes		563	192
Change in the amount entered in the shareholders' equity (actuarial profits (+) / **losses** (–))	34.	**– 1,223**	**– 418**
Change in the adjustment item from the currency translation of foreign subsidiaries		– 369	886
Change in the amount entered in the shareholders' equity (currency translation)		**– 369**	**886**
Total of the changes in value entered in the shareholders' equity		**– 1,592**	**467**
thereof relating to other partners		20	– 32
thereof relating to the shareholders of Eckert & Ziegler AG		– 1,612	499
Total from net income for the year and the changes in value entered in the shareholders' equity		**10,173**	**11,882**
thereof relating to other partners		1,492	965
thereof relating to the shareholders of Eckert & Ziegler AG		8,681	10,917

GROUP BALANCE SHEET

€ thousand	Notes	2012	2011
Assets			
Non-current assets			
Goodwill	21.	31,122	31,252
Other intangible assets	21.	14,697	13,761
Property, facilities and equipment	22.	31,158	28,889
Financial assets measured at-equity	23.	0	0
Trade receivables	24.	1,886	0
Deferred tax assets	18.	9,104	9,814
Other non-current assets	25.	4,027	1,330
Total non-current assets		**91,994**	**85,046**
Current assets			
Cash and cash equivalents	26.	30,842	32,304
Securities	27.	22	22
Trade receivables	28.	20,115	18,093
Inventories	29.	15,466	14,214
Other current assets	30.	6,005	4,674
Total current assets		**72,450**	**69,307**
Balance sheet total		**164,444**	**154,353**
Liabilities			
Capital and reserves	31.		
Subscribed capital		5,293	5,293
Capital reserves		53,500	53,500
Retained earnings		25,257	18,125
Other reserves		– 3,296	– 1,684
Own shares		– 27	– 27
Equity to which the shareholders of Eckert & Ziegler AG are entitled		**80,727**	**75,207**
Minority interests		6,243	5,689
Total capital and reserves		**86,970**	**80,896**
Non-current debts			
Loans and financial lease liabilities	32.	9,773	12,890
Deferred income from grants and other deferred income	33.	954	999
Deferred tax liabilities	18.	1,521	1,813
Provisions for pensions	34.	8,863	6,816
Other provisions	35.	20,627	20,627
Other non-current liabilities	36.	1,345	1,490
Total non-current debts		**43,083**	**44,635**
Current debts			
Loans and financial lease liabilities	32.	5,673	5,099
Trade payables		7,454	5,308
Advance payments received		2,344	1,324
Deferred income from grants and other deferred income (current)	33.	92	229
Income tax liabilities		2,075	2,429
Other current liabilities	37.	16,753	14,433
Total current liabilities		**34,391**	**28,822**
Balance sheet total		**164,444**	**154,353**

STATEMENT OF SHAREHOLDERS' EQUITY

Figures in € thousand except number of subscribed capital	Subscribed capital Number	Subscribed capital Nominal value	Capital reserve	Retained earnings
Balance January 1, 2012	**5,292,983**	**5,293**	**53,500**	**18,125**
Foreign currency translation differences				
Unrealized gains / losses on performance-oriented pension commitments at balance sheet date (after tax of € – 779,000)				
Unrealized gains / losses on securities at balance sheet date (after tax of € 1,000)				
Reversal of unrealized gains / losses on securities at previous balance sheet date				
Total of expenditures and income recognized directly in equity	0	0	0	0
Net profit for the year				10,293
Total income for the period	0	0	0	10,293
Dividends paid				– 3,173
Purchase / sale of minority interests				12
Balance December 31, 2012	**5,292,983**	**5,293**	**53,500**	**25,257**

Figures in € thousand except number of subscribed capital	Subscribed capital Number	Subscribed capital Nominal value	Capital reserve	Retained earnings
Balance January 1, 2011	**5,292,983**	**5,293**	**53,874**	**11,056**
Foreign currency translation differences				
Unrealized gains / losses on performance-oriented pension commitments at balance sheet date (after tax of € – 192,000)				
Unrealized gains / losses on securities at balance sheet date (after tax of € 1,000)				
Reversal of unrealized gains / losses on securities at previous balance sheet date				
Total of expenditures and income recognized directly 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**	**18,125**

Cumulative other equity items						
Unrealized profit securities	Unrealized profit commitments	Foreign currency translation differences	Own shares	Equity attributable to shareholders	Minority interests	Consolidated equity
2	**– 417**	**– 1,269**	**– 27**	**75,207**	**5,689**	**80,896**
		– 389		– 389	20	– 369
	– 1,640			– 1,640		– 1,640
2				2		2
– 2	417			415		415
0	– 1,223	– 389	0	– 1,612	20	– 1,592
				10,293	1,472	11,765
0	– 1,223	– 389	0	8,681	1,492	10,173
				– 3,173	– 713	– 3,886
				12	– 225	– 213
2	**– 1,640**	**– 1,658**	**– 27**	**80,727**	**6,243**	**86,970**

Cumulative other equity items						
Unrealized profit securities	Unrealized profit commitments	Foreign currency translation differences	Own shares	Equity attributable to shareholders	Minority interests	Group equity
3	**1**	**– 2,187**	**– 401**	**67,639**	**5,293**	**72,932**
		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**	**75,207**	**5,689**	**80,896**

GROUP CASH FLOW STATEMENT

€ thousand	Notes	2012	2011
Cashflow from operating activities:	39.		
Annual profit or loss		11,765	11,415
Adjustments for:			
Depreciation, amortization and impairments		7,747	7,511
Interest income		2,268	2,671
Interest payments		– 999	– 993
Income tax expense (+) / income (–)		5,695	8,815
Income tax payments		– 4,769	– 5,565
Income not affecting payments from the writing back of the deferred grants		– 182	– 466
Profit (–) / loss from the disposal of fixed assets		12	– 5
Profit (–) / loss from the sale of securities		–	1
Change in the non-current provisions, other non-current liabilities		121	– 1,342
Change in other non-current assets and receivables		– 3,083	– 110
Other events not affecting payments		– 1,216	– 221
Changes in the current assets and liabilities			
Receivables		– 2,167	– 1,192
Inventories		– 1,328	– 1,448
Change in other current assets		– 2,823	56
Change in the current liabilities and provisions		5,533	1,032
Cash inflow from operating activities		**16,574**	**20,159**
Cash flow from investment activities:	40.		
Acquisition of fixed assets		– 9,832	– 9,182
Sales of fixed assets		24	128
Acquisition of consolidated companies (less acquired liquid funds)		– 39	–
Sales of securities		–	200
Payments for the loan and share option agreement		– 1,500	–
Cash outflow from investment activities		**– 11,347**	**– 8,854**
Cash flow from financing activities:	41.		
Paid dividends		– 3,173	– 3,173
Distribution of shares of third parties		– 713	– 489
Cash inflows from the taking out of loans		3,225	1,786
Cash outflows from the redemption of loans		– 5,717	– 5,531
Purchase of equity instruments of subsidiaries		– 213	– 1,008
Cash outflow from financing activities		**– 6,591**	**– 8,415**
Changes in the financial holdings owing to exchange rates		– 98	198
Decrease (in the prev. year increase) in the financial holdings		**– 1,462**	**3,088**
Financial holdings at the beginning of the period		**32,304**	**29,216**
Financial holdings at the end of the period		**30,842**	**32,304**

The Executive Board approved the consolidated financial statements for submission to the Supervisory Board on March 26, 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEAR 2012

Background, accounting policies and methods

1. ORGANIZATION AND DESCRIPTION OF BUSINESS ACTIVITIES

Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin (hereinafter referred to as "Eckert & Ziegler AG" or the "Group") is a holding company whose specialized subsidiaries are engaged around the world in the processing of radioisotopes and the development, manufacture and sale of components based on isotope technology, irradiation equipment and radiopharmaceuticals or related products. The Group's products are primarily used in medical technology, particularly in cancer therapy, as well as in nuclear medical imaging and industrial measurement. In these areas, Eckert & Ziegler AG and its subsidiaries address the needs of radiation therapists, radio-oncologists and nuclear medicine 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 regulated 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) and the corresponding foreign institutions, such as the US Food and Drug Administration (FDA) or the Nuclear Regulatory Commission (NRC). As a result, the Group is 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 environment within the healthcare sector.

2. FINANCIAL REPORTING PRINCIPLES

The consolidated financial statements of Eckert & Ziegler AG as of December 31, 2012 have been prepared in accordance with International Financial Reporting Standards (IFRS). All standards of the International Accounting Standards Board (IASB), London, applicable in the EU at the reporting 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 account. In addition, the supplementary applicable commercial provisions of Section 315a (1) of the German Commercial Code (hereinafter "HGB") have been observed. The consolidated financial statements provide 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 the Group's subsidiaries have been prepared as of the same reporting date as the consolidated financial statements; this reporting date corresponds to that of Eckert & Ziegler AG. The consolidated financial statements cover the reporting period from January 1 to December 31, 2012. The consolidated income statement has been prepared in accordance with the cost of sales method. Other comprehensive income is presented in the statement of comprehensive income.

The parent company is registered with the Commercial Register at Berlin-Charlottenburg under HRB 64 997 B, and the consolidated financial statements and the Group management report as of December 31, 2012 are published in the electronic version of the Federal Official Gazette (Bundesanzeiger).

3. ACCOUNTING AND VALUATION PRINCIPLES

Accounting and valuation methods – The accounting for the assets and liabilities of the domestic and foreign subsidiaries included in the full consolidation was performed using the same accounting and valuation methods applied to the comparative information from the prior year.

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

Assessments and estimates – When preparing the consolidated financial statements in accordance with IFRS, it is necessary to make estimates and assumptions that impact the amount and disclosure of recognized assets and liabilities, revenues and expenses. Significant assumptions and estimates are made concerning useful lives, income achievable from intangible assets and property, facilities and equipment, recoverability of receivables, the accounting and measurement of provisions, as well as the balance and recoverability of deferred tax assets. These assumptions and estimates are based on current knowledge. Actual amounts may differ from the originally expected estimates because conditions might develop differently than assumed. The sensitivity of carrying amounts with respect to the assumptions and estimates that underlie the calculation of the carrying amounts was evaluated by means of sensitivity analyses. If a change to an estimate has a material impact, disclosures are made in accordance with IAS 1.125 (note 6).

Discretionary decisions when applying accounting and valuation methods – Non-current intangible assets, property, facilities and equipment and real estate held as a financial investment are recognized at amortized cost in the balance sheet. The option to recognize these assets at fair value, which is also permitted, is not utilized. Securities are in general classified as available for sale so that any changes to their fair value are recognized outside profit and loss in shareholders' equity. If securities are classified as measured at fair value through profit and loss, any changes to fair value is immediately included in the profit or loss for the period.

Goodwill – Goodwill is the difference between the total purchase price for an enterprise or a business and the fair value of the net assets acquired.

Other intangible assets – Other intangible assets include customer relationships, capitalized development costs, patents, technologies, bans on competition, software, licenses and similar rights. Development costs are capitalized as intangible assets if the prerequisites for the capitalization of internally generated intangible assets under IAS 38 are cumulatively fulfilled. Capitalized development costs consist of all directly attributable costs, including financing costs, which are incurred from the date when all capitalization criteria have been met. After successful completion of the development project, capitalized development costs are amortized over the planned economic life of the product. Research costs, along with development costs not eligible for capitalization, are expensed as incurred.

Intangible assets, other than intangible assets with indefinite useful lives, are capitalized at acquisition or manufacturing cost and amortized over their respective useful lives using the straight line method. The following useful lives are assumed for amortizable intangible assets:

	Internally generated	Acquired
Customer relationships	–	8 to 10 years
Capitalized development costs	3 to 10 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 an annual basis to determine whether the asset continues to have an indefinite useful life.

Value impairment on intangible assets and property, facilities and equipment – Value impairments on intangible assets and property, facilities and equipment are recorded if the carrying amount of the assets exceeds the recoverable amount of these assets due to certain events or changes in circumstances. The recoverable amount is the higher of fair value minus sales costs and value in use. Acquired goodwill and intangible assets with an indefinite useful life are tested for impairment at least once a year.

In order to carry out the impairment test, acquired goodwill is allocated to those cash-generating units (CGU) that are expected to benefit from the synergies of the Group and the business acquisitions. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows from continued use and is largely independent of the cash inflows of other assets or other groups of assets. The entire Isotope Products and Radiation Therapy segments are CGUs. There are two CGUs in the Radiopharma segment. No goodwill is attributable to the Environmental Services segment.

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

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

Discount rates are calculated based on the Group's weighted cost of capital and are between 10.7 % and 12.6 % after tax and 15.7 % and 17.6 % before tax. The following uncertainties exist regarding the estimates used in the underlying assumptions for the calculation:

Medium-term planning:
The medium-term planning is based on historical empirical values and takes into account segment-specific market growth expectations.

Discount rates:
The discount rate was estimated based on the average weighted cost of capital that is 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 value exceeds the carrying amount of the asset. The asset is written up to the maximum amount that would have existed if the previous impairment had not been carried out. Impaired goodwill is not written up.

Property, facilities and equipment – Property, facilities and equipment are measured at acquisition or manufacturing cost less accumulated depreciation and impairment losses. The manufacturing cost of internally constructed equipment and systems include all direct costs, attributable manufacturing overhead and financing costs. If available, acquisition or manufacturing cost includes the estimated cost of the demolition or disposal of the asset and the restoration of the site. Internally generated assets mainly relate to production lines. Property, facilities and equipment and leasehold improvements acquired based on finance lease agreements are depreciated over the term of the rental or lease agreement or the estimated useful life of the assets concerned, whichever is shorter. Depreciation is calculated using the straight-line method. The depreciation period is the expected useful life. The following useful lives are assumed:

Buildings	25 to 45 years
Leasehold improvements	10 to 15 years
Technical plants and machinery	4 to 10 years
Office equipment, furniture and fixtures	3 to 12 years

When assets are scrapped or sold, the acquisition or manufacturing cost of the assets and the related accumulated depreciation and impairment losses are written off, and any resulting gain or loss from the disposal is recognized in profit and loss.

A significant portion of the Group's depreciable assets is used for the manufacture of the Group's products. The Executive Board assesses the recoverability of these assets by taking into account relevant events in the business environment. On this basis, the useful lives of various assets in property, facilities and equipment were reassessed in 2012, resulting in extensions in the estimated useful lives in some cases. The Executive Board assumes that there is no impairment of recoverability as of December 31, 2012. However, it is also possible that the Executive Board's assessment of the possibilities for utilization and recoverability of the Group's depreciable assets could change on short notice due to changes in the technological and regulatory environment.

Inventories – Reported inventories include raw materials, consumables and supplies, work in progress and finished goods. Inventories are recognized at the acquisition or manufacturing cost or lower net realizable value as of the reporting date. Apart from direct costs, manufacturing cost includes appropriate portions of necessary material and manufacturing overhead, manufacturing-related depreciation as well as production-related administration and social welfare costs. Due to the brevity of the manufacturing process, financing costs are not recognized as part of the manufacturing cost. If necessary, the average cost method is applied in order to simplify measurement.

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 an active market. After their initial recognition, loans and trade receivables are measured at amortized cost using the effective interest method less value impairments. Gains or losses are recognized in the Group net income if the trade receivables are impaired. Any interest effects resulting from the use of the effective interest method are also recognized through profit and loss.

Financial assets and securities – Investments in listed securities are not held for trading or held to maturity. As a result, they are classified as available-for-sale financial assets and are measured at fair value based on quoted market prices on the reporting date. Unrealized gains and losses arising from subsequent remeasurement of available-for-sale securities are recognized directly in equity less attributable tax until the securities are sold or an objective impairment occurs. At this point, the cumulative gain or loss must be recognized in profit or loss for the period.

Derivative financial instruments – Derivative financial instruments such as forward transactions or swaps are used exclusively for hedging purposes. They are measured in the consolidated balance sheet at fair value, with changes in value recognized in profit and loss.

Restricted assets – Restricted assets relate to amounts paid by the US subsidiary Eckert & Ziegler Analytics Inc., Atlanta, USA into a fund serving as security for the future settlement of obligations for restoration of contaminated systems.

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

The US subsidiary Eckert & Ziegler Isotope Products Inc. has pledged a portion of its property, facilities and equipment as collateral for a bank loan.

We refer to the explanations in the sections on “Cash and cash equivalents”, “Other non-current assets” and “Loans and financial leasing liabilities.”

Financial holdings – The Group considers all highly liquid funds with a maturity of up to three months to be cash-equivalent investments, which are reported 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, liabilities to banks and other liabilities. After their initial recognition, financial liabilities are remeasured at amortized acquisition cost using the effective interest method.

Pension provisions – Pension liabilities are measured based on 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, actuarial gains and losses, including deferred tax assets, are recognized since January 1, 2009 outside profit and loss in the statements of shareholders' equity and the statement of comprehensive income, and are entirely reported in pension provisions.

Provisions – Provisions are established when there is a current obligation resulting from a past event. Provisions are recognized when it is more likely than not that an obligation has been incurred and the amount of the obligation can be reliably estimated. The amounts recognized as provisions represent the best possible estimate of the expenditures required to settle the current obligation as of the reporting date.

Provisions for environmental restoration – The cost for the demolition and clearance of assets, and also the restoration of the site, are part of acquisition or manufacturing cost under IAS 16, provided that provisions must be established for the costs in accordance with IAS 37.

Provisions for environmental restoration are based on statutory and civil obligations to decontaminate assets and buildings contaminated with radioactivity, to determine by measurement that they are free from contamination and to make them accessible and usable again without danger once the assets are removed from service. Accordingly, the estimate of costs includes labor costs for the demolition of the systems, costs for the preparation of waste so that it can be decontaminated, costs for the cleaning of rooms and the disposal of waste by experts, as well as the costs for the disposal and decontamination of radioactive waste. To that end, only the radioactive waste from the decontamination of assets is taken into account. Waste arising from ongoing production is regularly decontaminated, and the associated costs are reported as a separate item within cost of sales. Under IAS 37, restoration provisions are based on fair market value, i.e., under the assumption that the aforementioned disposal services are carried out by third-party contractors. Provisions are recognized at the present value of the expenditures expected as of the reporting date. The calculation of the restoration obligations is based on various assumptions that are derived from estimates. These include estimates on the required number of labor days, per diem rates and expected material costs. The amount of the provision allows for expected cost increases until the disposal work is carried out. The amount of the obligation is reviewed as of each reporting date. In the event of changes to the amount, property, facilities and equipment and provisions are adjusted accordingly.

Leasing – If the prerequisites for a finance lease are satisfied, the leased assets in use are capitalized in accordance with IAS 17 as property, facilities and equipment and depreciated over the term of the lease agreement or the useful life. Lease liabilities are recognized at the present value of the leasing rates.

Revenue recognition – In accordance with IAS 18, revenues from product sales are recognized when the service is performed provided 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 existing statutory rights. License fees are recognized through profit and loss in the period to which they relate.

Revenues from production orders are realized as per IAS 11 as follows: If the profit of a production order can be reliably estimated, the associated revenue and expenses are recognized during the provision of the service according to the level of completion of the order (percentage of completion method) if certain prerequisites exist, i.e., partial profits are reported in the individual periods. If the profit of a production order cannot be reliably determined, the revenues from the order are recognized only up to the amount of the incurred order costs that are likely to be recovered. 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 recognized as expense. Depending on the circumstances of the respective project, the most suitable method will be applied to determine the percentage of completion of the production order. The percentage-of-completion method of revenue recognition is also applied for long-term service contracts that are not production orders as defined by IAS 11.

Advertising – Expenditures on advertising and other marketing-related costs are expensed as incurred.

Research and development – Research expenditures are expensed when incurred. Development costs are capitalized in accordance with IAS 38 (Intangible Assets) when certain conditions are cumulatively fulfilled. The costs to be capitalized include all directly attributable costs that are necessary to design and manufacture the asset and prepare it so that it is ready to be placed into service for the purpose intended by management. Development costs that cannot be capitalized are expensed when incurred.

Income taxes – Deferred tax assets and liabilities are recognized in accordance with IAS 12 in order to reflect the future tax effects arising from the temporary differences between the carrying amount of assets and liabilities reported in the consolidated financial statements and their respective amounts in the tax accounts. Furthermore, deferred tax assets are established on interest and tax loss carry-forwards. Deferred tax assets and liabilities are measured based on the statutory tax rates applicable to taxable income in the years when these temporary differences are expected to reverse. The effects of a change in tax rates on deferred tax assets and liabilities are recognized in the income statement of the fiscal year when the legislative changes were adopted. Deferred tax assets are only recognized if it is likely that these asset values will be recovered. Deferred tax assets and liabilities are reported on a net basis if the corresponding criteria of IAS 12 are fulfilled.

Current income taxes are calculated on the basis of the respective year's taxable income in accordance with national tax regulations.

Stock option plan / employee stock option program – The employee stock option scheme is accounted for in accordance with IFRS 2 (Share-based Payment). IFRS 2 requires that the fair value of all issued stock options must be determined at the time of their issuance and then expensed over the vesting period as staff costs. The fair value of each issued option on the day of issuance is calculated by means of an option pricing model. The staff expenses lead to an increase in the capital reserves, as the compensation is paid via equity instruments of the Group.

Investment grants and other subsidies – In accordance with IAS 20.7, subsidies are recognized only if the Group 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 recognized as deferred income at the time of receipt. Grants for expenses are offset against the subsidized expenditure in the fiscal year in which the expenditure is incurred. The deferred grants in the consolidated financial statements were received to purchase property, facilities and equipment, and development costs. They are released through profit and loss 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 annual net income / loss attributable to the shareholders of Eckert & Ziegler AG by the average number of shares in circulation during the fiscal 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 portion of net income / loss for the period attributable to the shareholders of Eckert & Ziegler by the sum of the average number of shares in circulation during the fiscal year plus the dilutive shares arising from the exercise of all outstanding options (calculated by applying the treasury stock method).

NEW FINANCIAL REPORTING STANDARDS

All applicable IASB, IFRIC and SIC standards that are required to be used in the EU as of the reporting date were taken into account in the consolidated financial statements. The Executive Board expects no material effects on future consolidated financial statements from the changes to existing standards made by the IASB as part of various projects for further development of IFRS, from the efforts to achieve convergence with US-GAAP or from the new standards that only must be applied after December 31, 2012.

Financial reporting standards applied for the first time in the current fiscal year:

In the 2012 fiscal year, the following financial reporting standards and interpretations were applied for the first time. None of these new financial reporting standards had a material effect on the Group's assets, financial position and financial performance or on its earnings per share. However, their application can influence the accounting of future transactions or agreements. The resulting changes to reporting and disclosure requirements were taken into account in the consolidated financial statements, especially in the consolidated income statement, statement of comprehensive income, and the notes.

Amendments to IFRS 7 – Financial Instruments (Disclosures – Transfer of Financial Assets)

The amendments to IFRS 7 (Disclosures – transfer of financial assets) expand the disclosure requirements to transactions that include transfers of financial assets. The amendments are intended to make risk more transparent in cases where financial assets are transferred but the transferring party retains a certain degree of risk from the financial assets. The amendments also stipulate additional disclosures if the transfers of financial assets do not take place evenly during the fiscal year.

The initial application of the amendments to IFRS 7 did not lead to any significant adjustments in the disclosures. However, should the Group perform other types of financial asset transfers in the future, the associated disclosures could change.

Amendments to IAS 12 – Deferred Taxes: Recognition of Underlying Assets

The amendments to IAS 12 contain an exception to the basic principle of IAS 12, according to which the measurement of deferred tax assets and liabilities depends on the tax consequences that would follow from the manner (recovery or settlement) in which the entity expects to realize the carrying amount of an asset. In particular, in the case of real estate held as investment properties measured at fair value according to IAS 40, it is assumed that this amount is realized through divestment so long it is not possible to show otherwise in a specific individual case.

The application of the amendments to IAS 12 had no effect on the Group because it did not perform such transactions.

Published, but not yet applied, financial reporting standards:
The following standards and interpretations, whose application has not been mandatory until now, were not yet applied in these financial statements.

Standard	Title	Required for financial years beginning from:	Application planned from:	Possible effect on future financial statements:
IFRS 9	Financial Instruments	January 1, 2015	January 1, 2015	immaterial
IFRS 10	Consolidated Financial Statements	January 1, 2013*	January 1, 2014	undetermined
IFRS 11	Joint Arrangements	January 1, 2013*	January 1, 2014	undetermined
IFRS 12	Disclosure of Interests in Other Entities	January 1, 2013*	January 1, 2014	undetermined
IFRS 13	Fair Value Measurement	January 1, 2013	January 1, 2013	undetermined
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	January 1, 2013	January 1, 2013	immaterial
Amendments to IFRS 9 and IFRS 7	IFRS 9: New Mandatory Effective Date and Transition Disclosures	January 1, 2015	January 1, 2015	immaterial
Amendments to IFRS 10, IFRS 11, and IFRS 12	Investment Entities	January 1, 2014	January 1, 2014	none
Amendments to IFRS 10, IFRS 12, and IAS 27	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	January 1, 2013	January 1, 2013	immaterial
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income	July 1, 2012	January 1, 2013	immaterial
IAS 19 (2011)	Employee Benefits	January 1, 2013	January 1, 2013	undetermined
IAS 27 (2011)	Separate Financial Statements	January 1, 2013*	January 1, 2014	undetermined
IAS 28 (2011)	Investments in Associates and Joint Ventures	January 1, 2013*	January 1, 2014	undetermined
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities	January 1, 2014	January 1, 2014	none
Amendments to IFRS	Annual Improvements 2009–2011 Cycle	January 1, 2013	January 1, 2013	undetermined
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013	January 1, 2013	none

** In the EU, first-time application is expected to become mandatory for fiscal years starting on or after January 1, 2014.*

IFRS 9 Financial Instruments, which was published in November 2009, contains new classification and measurement rules for financial assets. The IFRS 9 that was amended in October 2010 includes further rules for the classification and measurement of financial liabilities as well as for derecognition. The primary 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 subsequently measured either at amortized cost or fair value. Debt instruments held as part of a business model with the goal of obtaining contractual cash flows and whose contractual cash flows consist solely of interest and principle repayments associated with the principal amount outstanding must be accounted for in subsequent periods at amortized cost. All other instruments must be measured at fair value through profit and loss. In addition, IFRS 9 includes an irrevocable option to recognize subsequent changes to the fair value of an equity financial instrument (that is not held for trading purposes) in other comprehensive income and to only report dividend income in the income statement.

- With regard to the measurement of financial liabilities (those designated as measured at fair value through profit and loss), IFRS 9 requires that the changes to fair value resulting from the default risk of the reporting entity must be included in other comprehensive income. However, this does not apply if the recognition of these changes in other comprehensive income would result in the creation of or an increase in an accounting inconsistency versus the income statement. Any changes to fair value that are recognized in other comprehensive income due to a change in the reporting entity's own default risk may not be reclassified at a later date to the income statement. In contrast, IAS 39 requires that the changes to the fair value of debt securities measured at fair value through profit and loss must be fully recognized in the income statement.

IFRS 9 must be applied for fiscal years beginning on or before January 1, 2015; earlier application is permitted. The Executive Board expects that the application of IFRS 9 in the consolidated financial statements for the fiscal years beginning on January 1, 2015 will not have a material impact on 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 arrangements (IFRS 11), disclosure of interests in other entities (IFRS 12), separate financial statements (IAS 27 (2011)) and investments in associates and joint ventures (IAS 28(2011)).

The major requirements of the new standards are as follows:

IFRS 10 replaces the rules regarding consolidated financial statements in IAS 27 Consolidated and Separate Financial Statements. SIC-12 Consolidation of Single Purpose Entities is also replaced by IFRS 10. With IFRS 10, the IASB now establishes the principle of control as a standard principle. In accordance with IFRS 10, control exists when an investor cumulatively fulfills the following three requirements: (a) the investor must be able to exercise power over the investee; (b) the investor is subject to variable returns from its involvement with the investee and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. The standard also contains detailed guidelines for implementation of complex issues.

IFRS 11 replaces IAS 31 Interests in Joint Ventures as well as SIC-13 Jointly Controlled Entities-Non-Monetary Contributions by Venturers. IFRS 11 regulates the classification of joint arrangements. A joint arrangement is a contractual arrangement over which two or more parties have joint control. Joint control can extend to joint operations or joint ventures. Contrary to IAS 31, IFRS 11 does not separately address the accounting for jointly controlled assets; instead, the rules for joint operations are applied. The classification of a joint arrangement as joint operations or as a joint venture depends on the rights and obligations that accrue to the parties of the arrangement.

Furthermore, IFRS 11 requires the application of the equity method for the consolidation of joint ventures, whereas IAS 31 permitted the use of either the proportionate method of consolidation or the equity method.

IFRS 12 is a standard regarding disclosures in the notes. It is applicable to entities that have an interest in a subsidiary, a joint arrangement (joint operations or joint ventures), an associate or an unconsolidated structured entity. In principle, the disclosures required under IFRS 12 are significantly more detailed than currently applicable standards.

In June 2012, amendments were published to IFRS 10, IFRS 11 and IFRS 12 to clarify the regulations regarding the transition guidelines for their initial application.

The five new standards including the amendments to the transition guidelines must be applied for the first time for fiscal years beginning on or after January 1, 2013. It is likely that the initial application will only be mandatory in the EU for fiscal years beginning on or after January 1, 2014. Earlier application is permitted as long as all five standards are applied simultaneously.

The Executive Board expects that the five standards will be applied for the first time in the consolidated financial statements for the fiscal year beginning January 1, 2014. The application of the five standards may have a material impact on the consolidated financial statements. However, the Executive Board has not yet conducted 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 been made.

IFRS 13 contains a common set of guidelines for measuring fair value and making disclosures about fair value measurements. The standard defines the concept of fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. The scope of IFRS 13 is far-reaching and includes both financial and non-financial items. IFRS 13 must be applied – with certain exceptions – whenever another IFRS prescribes or permits a fair value measurement or whenever disclosures on fair value measurements are required. The disclosure requirements in accordance with IFRS 13 are generally more comprehensive than currently applicable standards. For example, the quantitative and qualitative disclosures based on the three-step fair value hierarchy have been extended. These are currently required only for financial instruments according to IFRS 7 Financial Instruments, whereas IFRS 13 extends the disclosures to all assets and liabilities within the scope of the standard.

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

The Executive Board expects that IFRS 13 will be applied for the first time in the consolidated financial statements for the fiscal year beginning January 1, 2013. The application may have an impact on the values in the consolidated financial statements and lead to more extensive disclosures.

The amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Companies grant an exception with regard to the consolidation of subsidiaries if the parent company meets the definition of an "investment company" (for example, some investment funds). Accordingly, some subsidiaries may then be measured at fair value through profit and loss in accordance with IFRS 9 and IAS 39.

The Executive Board expects that the initial application in the fiscal year beginning January 1, 2014 will have no impact on the consolidated financial statements because the Group is not an "investment company" as defined under the standard.

Even after the change to the standard, IAS 1 will continue to include the option to show profit or loss as well as other comprehensive income in a single statement of comprehensive income (one statement approach) or in two statements that are separate from each other but presented sequentially (two statement approach). However, the amendments result in additional disclosure obligations regarding other comprehensive income, requiring a breakdown of the items into two categories: (a) into items that may be reclassified to the income statement if certain conditions are met and (b) into items that may not be recognized in the future through profit and loss. According to the same logic, income taxes arising from the items of other comprehensive income are also to be broken down into these two categories.

The amendments to IAS 1 must be applied for fiscal years beginning on or after July 1, 2012. The presentation of items of other comprehensive income will be adjusted accordingly upon application of the amendments in future periods.

The amendments to IAS 1 (as part of the annual improvements to IFRS in the 2009–2011 cycle) require entities to prepare a third balance sheet as at the beginning of the comparable period if the accounting and measurement principles must be applied retrospectively or if balance sheet items are to be adjusted or reclassified retrospectively. The amendments to IAS 1 clarify that an obligation to prepare a third balance sheet exists only if the retrospective adjustments have a material impact on the information in the third balance sheet. Furthermore, it clarifies that notes to the third balance sheet do not have to be provided.

These amendments to IAS 1 must be applied for fiscal years beginning on or after January 1, 2013; earlier application is permitted. The Executive Board expects that the application of the amendments to IAS 1 will not have a material impact on the consolidated financial statements for the fiscal years beginning on January 1, 2013.

The amendments to IAS 19 change the treatment of defined benefit pension plans and termination benefits. The most important update concerns the financial depiction of changes to defined benefit obligations and plan assets. The new rule requires the immediate recognition of changes to the defined benefit obligation and the fair value of the plan assets at the time of their occurrence. The “corridor” approach that was permitted until now under IAS 19 has been abolished. Furthermore, an accelerated recognition of past service cost must take place. All actuarial gains and losses are to be recognized immediately in the year of occurrence in other total comprehensive income. As a result, the net pension liability (asset) in the balance sheet shows the complete under- or over-coverage. In addition, the interest expense and expected returns on plan assets, as defined under the previous version of IAS 19, are now replaced by a net interest amount that is calculated by applying the discount rate to the net liability (asset) of the defined benefit plan.

The amended IAS 19 is to be applied for fiscal years beginning on or after January 1, 2013. The rules must (apart from the exceptions) be applied retrospectively.

The Executive Board expects that the amended IAS 19 will be applied for the first time in the consolidated financial statements of the fiscal year beginning on January 1, 2013. It is further assumed that the application could lead to an adjustment in the defined benefit pension plans. However, the Executive Board has not yet performed a detailed analysis of the effects of the application of the changes to IAS 19. As a result, the extent of the effect has not yet been quantified.

The annual improvements to IFRS in the 2009–2011 cycle include numerous amendments to various standards. The amendments must be applied for fiscal years beginning on or after January 1, 2013. The amendments impact the following standards:

- Amendments to IAS 16 – Property, Plant and Equipment
- Amendments to IAS 32 – Financial Instruments: Presentation

The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment must be classified as property, plant and equipment if they meet the definition thereof. Otherwise, they are to be accounted for as inventories. The Executive Board expects that the application of IAS 16 will not have a material impact on the consolidated financial statements.

The amendments to IAS 32 clarify that income taxes in connection with distributions to the holders of an equity financial instrument and the costs of an equity transaction must be accounted for in accordance with IAS 12. The Executive Board expects that the amendments to IAS 32 will not have a material effect on the consolidated financial statements because the Group already applies the new regulations.

IFRIC 20 relates to the stripping costs in the production phase of a surface mine. According to this interpretation, the costs of disposal (stripping) that provide better access to ore must be recognized as non-current assets if certain criteria are met. In contrast, ongoing current disposal costs must be recognized in accordance with IAS 2. The asset resulting from the stripping activity is considered to be an addition to or an enhancement of an existing asset and must be classified as tangible or intangible depending on the nature of the asset to which the stripping activity contributed additional benefit.

IFRIC 20 must be applied for fiscal years beginning on or after January 1, 2013. The interpretation includes transitional provisions for entities adopting the interpretation for the first time. It is mandatory to apply IFRIC 20 to stripping costs incurred in the earliest comparative period that is presented. The Executive Board expects that IFRIC 20 will have no effect on the consolidated financial statements because the Group does not conduct any of the activities described therein.

CONSOLIDATION PRINCIPLES

The capital consolidation is carried out in accordance with IAS 27 and IFRS 3 using the acquisition method. The initial consolidation is carried out at the time of acquisition. The acquired assets and liabilities are measured at their fair values at the time of acquisition. The acquisition cost of the acquired shares is subsequently offset against the pro rata remeasured equity of the subsidiary. Any resulting positive difference is reported as goodwill under intangible assets, while a negative difference is recognized through profit and loss in the income statement.

All significant receivables and liabilities as well as transactions between affiliated companies have been eliminated within the consolidation. The joint venture has been included in the consolidated financial statements using the equity method.

SCOPE OF CONSOLIDATION

The consolidated financial statements of Eckert & Ziegler AG include all companies where Eckert & Ziegler AG is able, either indirectly or directly, to determine the company's financial and business policies (control concept). The companies included in the consolidated financial statements as of December 31, 2012 are:

	Share of voting rights
Eckert & Ziegler BEBIG s.a., Seneffe, Belgium ***	79.8 %
Eckert & Ziegler BEBIG GmbH, Berlin *	79.8 %
Isotron Isotopentechnik GmbH, Berlin *	79.8 %
Eckert & Ziegler Iberia S.L.U., Madrid, Spain *	79.8 %
Eckert & Ziegler Italia s.r.l., Milan, Italy *	79.8 %
Eckert & Ziegler BEBIG S.a.r.l., Paris, France *	79.8 %
Eckert & Ziegler BEBIG Ltd., Cardiff, Great Britain *	79.8 %
Eckert & Ziegler BEBIG Inc., Norcross, USA *	79.8 %
Eckert & Ziegler BEBIG do Brasil Ltda., Fortaleza, Brazil *	79.8 %
OOO "Eckert & Ziegler BEBIG", Moscow, Russia *	79.8 %
Eckert & Ziegler Isotope Products Holdings GmbH, Berlin	100 %
Eckert & Ziegler Isotope Products GmbH, Berlin *	100 %
Eckert & Ziegler Cesio s.r.o., Prague, Czech Republic	80 %
Eckert & Ziegler Isotope Products Inc., Valencia, USA **	100 %
Eckert & Ziegler Analytics Inc., Atlanta, USA *	100 %
Eckert & Ziegler Vitalea Science Inc., Davis, USA *	100 %
Eckert & Ziegler Nuclitec GmbH, Braunschweig	100 %
Eckert & Ziegler Isotope Products SARL, Les Ulis, France *	100 %
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 Radiopharma Inc., Hopkinton, USA *	100 %
Eckert & Ziegler Umweltdienste GmbH, Braunschweig	100 %
Kompetenzzentrum für sichere Entsorgung GmbH, Berlin	100 %

* *Indirect interest*

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

*** *As of December 31, 2012, Eckert & Ziegler AG held 79.8 % of the voting rights in Eckert & Ziegler BEBIG s.a., which corresponds to 74.1 % of the shares with dividend rights.*

CHANGES TO THE SCOPE OF CONSOLIDATION

The following interests in companies were purchased or changes to the scope of consolidation were made in fiscal year 2012:

- In April 2012, Eckert & Ziegler BEBIG do Brasil Ltda. was founded in Fortaleza (Brazil) as a sales subsidiary of the Radiation Therapy segment for the Latin American market.
- In April 2012, OOO “Eckert & Ziegler BEBIG” was founded in Moscow (Russia). This company belongs to the Radiation Therapy segment.
- In September 2012, Eckert & Ziegler Isotope Products Inc. acquired the bioanalytical contract research institute Vitalea Science Inc. in Davis, USA. The presentation of the acquisition can be found in note 42.
- Effective January 1, 2012, the business area “Environmental Services” was sold by Eckert & Ziegler Nuclitec GmbH to Eckert & Ziegler Umweltdienste GmbH.

Various restructurings took place during 2011 in the Radiation Therapy segment; these initiatives were primarily intended to simplify the organizational structure. In particular, the following transactions occurred:

- The following wholly-owned 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 BEBIG Radiotherapy s.a.r.l. initially became a subsidiary of Eckert & Ziegler BEBIG GmbH and was subsequently dissolved.
- Based on a decision by the Annual General Meeting on June 6, 2011, International Brachytherapy s.a. was renamed to Eckert & Ziegler BEBIG s.a. effective July 1, 2011.

Further changes to the scope of consolidation in the 2011 fiscal year included the following:

- Effective January 1, 2011, the business area “Auriga” was transferred from Eckert & Ziegler Nuclitec GmbH to Eckert & Ziegler Radiopharma GmbH as part of a carve-out transaction.
- In July 2011, Eckert & Ziegler EURO-PET Warszawa sp.z o.o. was founded as the future production location for the Radiopharma segment in Warsaw (Poland).
- In July 2011, Eckert & Ziegler Radiopharma GmbH acquired the radiopharmaceutical device division of the American firm Bioscan Inc. The presentation of the acquisition can be found in note 42.
- In November 2011, Eckert & Ziegler EURO-PET Linköping AB was sold. The sale of the business resulted in a loss of € 7 thousand.
- In July 2011, Eckert & Ziegler Umweltdienste GmbH was founded.

INTERESTS IN JOINT VENTURES

A joint venture is based on a contractual agreement in which the Group and other contracting parties undertake a business venture under common leadership; this is the case if the strategic financial and business policies pursued in the joint venture require the consent of all parties. Interests in joint ventures are accounted for in the balance sheet in accordance with the equity method. The consolidated statement of comprehensive income contains the Group's share of revenue and expenses as well as changes in equity of the "at-equity" interests on the balance sheet. If the Group's share of the joint venture's loss exceeds the carrying amount of the "at-equity" interest on the balance sheet, the carrying amount of this interest is written down to zero. Further losses are not recognized 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 carrying amount of the interest in the joint venture (maximum loss up to the carrying amount of the interest).

Joint Venture "NanoBrachyTech": In fiscal year 2009, Eckert & Ziegler BEBIG s.a. (previously IBt. s.a. and now renamed) founded the joint venture ZAO "NanoBrachyTech" together with OOO Santis and the Russian state fund "RUSNANO." Eckert & Ziegler BEBIG s.a. contributed intangible assets to the joint venture and received a 15 % interest in the "NanoBrachyTech" joint venture in return.

4. CURRENCY TRANSLATION

The financial statements of subsidiaries prepared in foreign currencies 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 consolidated companies corresponds to their respective national currency. Assets and liabilities are translated at middle rates on the reporting date. The income statement and the cash flow statement are translated using the weighted average rate for the year. Equity components are translated at the historical rate when they were initially recognized. Until the subsidiary is disposed of, any currency differences resulting from the translation are recognized outside profit and loss as a separate item within shareholders' equity or under the interests of other shareholders.

At initial recognition, foreign currency items are measured at the acquisition price in the annual financial statements of the companies included in the consolidated financial statements. Monetary items are measured at the middle rate as of the balance sheet date. Any resulting currency gains and losses as of the reporting date are recognized in profit and loss.

The following exchange rates were used for the currency translation:

Country	Currency	Dec 31, 2012	Dec 31, 2011	Average rate 2012	Average rate 2011
USA	USD	1.3194	1.2939	1.2867	1.4032
CZ	CZK	25.1510	25.7870	25.1459	24.7411
GB	GBP	0.81610	0.8553	0.8115	0.8651
SE	SEK	–	8.9120	–	9.0320
PL	PLN	4.0740	4.7720	4.1045	4.4326
RU	RUB	40.2261	–	10.4750	–
BR	BRL	2.7093	–	2.5733	–

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

The changes in the scope of the consolidation during fiscal years 2012 and 2011 have affected the Group's net assets and results of operations, in part impairing the comparability of the consolidated balance sheet and the consolidated income statement with the prior year.

6. CHANGES TO ESTIMATES

In fiscal years 2012 and 2011, the Group changed its estimates in the following areas:

a) Change to the useful life of certain tangible assets (2012)

Radiopharma segment: In connection with the construction of a new production site in Poland, the Executive Board critically examined the estimated useful lives of the plant and equipment at the existing German production sites as part of the Board's medium-term planning. Based on this analysis, the estimated useful life of two existing cyclotrons was each extended for an additional two years. At the same time, new appraisals were obtained for the planned disposal of the machines at the end of their useful lives. This resulted as of December 31, 2012 in an increase in the provision for disposals totaling € 103 thousand and a corresponding increase in the acquisition cost of the cyclotrons by € 103 thousand. In subsequent periods, the changes to the useful lives and the disposal costs will have an impact on depreciation, which is recognized in the cost of sales, and interest expense as follows:

€ thousand	2013	2014	2015	2016	Thereafter
Increase (reduction) in depreciation	– 30	– 30	– 30	96	97
Interest expenditure	4	4	4	8	9

b) Measurement of deferred tax assets on tax loss carry-forwards (2011)

The recoverability of deferred tax assets on tax loss carry-forwards was reviewed in accordance with IAS 12 in the 2011 fiscal year on the basis of approved budgets. In addition to assumptions about trends in the sectors in which Eckert & Ziegler AG is active, the revised organizational structure and the restructuring measures within the Eckert & Ziegler Group were taken into account in this analysis.

Radiation Therapy segment: In conjunction with increasing uncertainty on world markets and the stronger orientation of the Radiation Therapy segment toward project work (temporary brachytherapy), the uncertainties in the planning for the future business have increased. This was taken into account in 2011 by shortening the measurement period for deferred tax assets on tax loss carry-forwards from six to five years. Had the Group not undertaken this change in estimate, the loss in tax results would have been reduced by € 2,187 thousand.

Notes to the consolidated 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 increased again in fiscal year 2012 from € 116,197 thousand to € 119,997 thousand. The increase in 2012 is primarily attributable to the development of the USD-EUR exchange rate.

Revenues are broken down as follows:

€ thousand	**2012**	2011
Revenues from the sale of goods	108,087	106,169
Revenues from the provision of services	9,824	7,157
Revenues from production orders	0	2,871
Revenues from license sales	2,086	0
Total	**119,997**	**116,197**

In fiscal year 2011, the Group generated revenues from production orders, in line with the POC method, for the construction of production systems for third parties. The revenues for the respective services rendered are recognized once the contractually stipulated partial performance stages (milestones) are reached. In fiscal year 2012, no revenues were recognized based on this approach.

The cumulative costs of the unfinished production orders on the balance sheet date amount to € 2,326 thousand, while the cumulative reported profits total € 4,323 thousand. The advance payments received for production orders in the Radiation Therapy segment total € 6,849 thousand; in line with the level of completion, € 6,649 thousand of this amount has been deducted, resulting in a credit balance of € 200 thousand that has been reported as a liability in the balance sheet.

€ thousand	**2012**	2011	2010
Revenues	0	2,871	4,523
Order costs	0	– 617	– 2,373
Profit	0	2,254	2,150
Balance on the liabilities side	– 200	– 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

Apart from the cost of materials, labor and depreciation that is directly attributable to sales, cost of sales also includes a share of the material and labor overhead and income from the release of deferred items. Cost of materials amounted to € 27,119 thousand for 2012 and € 27,024 thousand for 2011.

9. SELLING EXPENSES

Selling expenses are broken down as follows:

€ thousand	**2012**	2011
Personnel and employee benefit costs	8,646	7,959
Cost of goods issue	5,452	5,109
Commissions	935	779
Depreciation	1,525	1,721
Advertisement	1,494	1,447
Other	2,560	2,516
Total	**20,612**	**19,531**

10. GENERAL ADMINISTRATIVE COSTS

General administrative costs include:

€ thousand	**2012**	2011
Personnel and employee benefit costs	11,244	10,275
Depreciation	2,055	1,880
Insurance, contributions, fees, purchased services	1,845	1,321
Consulting expenses	1,842	1,794
Rent	1,747	1,411
Communication costs	402	364
IR expenses	309	262
Earning from the writing off of accrual items	– 104	– 121
Other	3,426	2,036
Total	**22,766**	**19,222**

11. RESEARCH AND DEVELOPMENT COSTS

The costs for research and development amounted to € 3,454 thousand for 2012 and € 2,999 thousand for 2011. The costs are composed of the following:

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

- Depreciation in the research and development areas for acquired property, equipment and intangible assets, as well as the corresponding release of deferred items,
- Value impairments on internally generated intangible assets capitalized in prior years as well as the corresponding release of deferred items,
- Other directly attributable expenses in the research and development areas, and
- A pro rata share of overhead of the research and development areas.

The costs for research and development of € 3,454 thousand (2011: € 2,999 thousand) include depreciation and value impairments totaling € 323 thousand (2011: € 337 thousand), staff costs in the amount of € 2,538 thousand (2011: € 2,030 thousand), cost of materials and third-party services of € 331 thousand (2011: € 531 thousand), other expenses totaling € 275 thousand (2011: € 102 thousand) and income from the release of deferred items in the amount of € 13 thousand (2011: € 1 thousand).

12. EMPLOYEES BENEFITS AND NUMBER OF EMPLOYEES

The income statement includes staff costs in the amount of € 38,628 thousand (2011: € 36,225 thousand).

Staff costs for fiscal years 2012 and 2011 are composed of the following:

€ thousand	**2012**	2011
Wages and salaries	33,438	31,515
Social security contributions and expenses on retirement pensions and support	5,190	4,710
of which for pensions	2,701	1,978

Group companies employed 573 people on average during 2012 (2011: 538). They worked in the following departments:

€ thousand	**2012**	2011
Production	248	238
R & D / plant engineering	68	64
Administration	93	80
Sales and marketing	121	119
Quality management	43	37
Total	**573**	**538**

The employees in German and other European subsidiaries belong to government retirement plans, which are managed by government agencies. The companies must pay a certain portion of the employee's salary cost to the retirement plans in order to fund these benefits. The Group's only obligation regarding these retirement plans is the payment of these fixed amounts.

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

The expenses recognized in the statement of comprehensive income totaling € 2,701 thousand (2011: € 1,978 thousand) represent the Group's contributions that are due to the associated retirement plans. As of December 31, 2012 and 2011, all contributions due had been paid into the pension plans.

Information on the total remuneration of current and former members of the Executive Board as well as current members of the Supervisory Board is provided in the remuneration report in note 48.

13. DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

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

	2012		2011	
€ thousand	Amortization	Impairments	Amortization	Impairments
Cost of sales	1,134	0	1,085	0
Selling expenses	662	0	663	0
General administration costs	825	0	798	0
Research and non-capitalized development expenses	23	0	13	0
Other operating expenses	0	0	0	0
Total	**2,644**	**0**	**2,559**	**0**

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

	2012		2011	
€ thousand	Depreciation	Impairments	Depreciation	Impairments
Cost of sales	2,710	0	2,488	0
Selling expenses	863	0	1,058	0
General administration costs	1,230	0	1,082	0
Research and non-capitalized development expenses	300	0	324	0
Total	**5,103**	**0**	**4,952**	**0**

14. OTHER OPERATING INCOME

Other operating income in the 2012 fiscal year includes primarily income from a general contractor agreement with Eckert Beteiligungen 2 GmbH for construction of a new laboratory and administration building at the Group's headquarters in Berlin-Buch in the amount of € 6,696 thousand (2011: € 2,278 thousand). Aside from this contract, the position primarily contains, as in the prior year, income from the release of provisions.

15. OTHER OPERATING EXPENSES

Other operating expenses mostly include the expenses from the aforementioned general contractor agreement totaling € 6,598 thousand (2011: € 2,192 thousand).

Furthermore, value impairments on receivables and losses on receivables of € 146 thousand (2011: € 643 thousand) are included, as are losses on the disposal of fixed assets totaling € 37 thousand (2011: € 13 thousand).

Other operating expenses in the prior year still contained expenses for the development of new business fields in the amount of € 275 thousand.

16. INCOME FROM SHARES MEASURED AT-EQUITY

The Group decided in 2011 to record a further value impairment in the amount of € 108 thousand on the interest measured at equity in the joint venture ZAO "NanoBrachyTech." This decision reduced the carrying amount of the interest to € 0 thousand as at December 31, 2011. Reliable disclosures regarding the income statement and the balance sheet of the joint venture company cannot be made due to a lack of IFRS-based financial statements as of December 31, 2012 and December 31, 2011. As a result, there were no earnings from shares valuated at equity in fiscal year 2012.

17. INTEREST INCOME

Interest and similar income on financial assets measured at amortized cost totaled € 526 thousand in 2012 (2011: € 220 thousand), while interest expense amounted to € 2,794 thousand (2011: € 2,891 thousand).

Interest expense includes € 1,054 thousand (2011: € 1,678 thousand) resulting from the compounding of interest on non-current liabilities as well as the measurement effect from interest swaps.

18. INCOME TAXES

Tax loss carry-forwards are primarily attributable to the tax loss carry-forwards of Eckert & Ziegler BEBIG s.a. and the tax loss carry-forwards of the German companies of the Eckert & Ziegler Group. The losses in Belgium and Germany can be carried forward indefinitely.

The parent company's tax rate, which was used as the Group tax rate for calculating income tax expense for corporation tax, solidarity surcharge and trade tax purposes, amounted to 30.175 % for the 2012 and 2011 fiscal years. The Group tax rate consists of the following:

€ thousand	**2012**	2011
Trade tax – basic rate	3.5 %	3.5 %
Trade tax – assessment rate	410 %	410 %
Corporation tax	15 %	15 %
Solidarity surcharge on corporation tax	5.5 %	5.5 %

The expense (+) / income (–) for income taxes is composed as follows for the fiscal years ending on December 31, 2012 and December 31, 2011:

€ thousand	2012	2011
Earnings before taxes:		
Germany	4,207	4,645
Foreign subsidiaries	13,253	15,585
	17,460	**20,230**

€ thousand	2012	2011
Current taxes		
Germany	1,219	1,809
Foreign subsidiaries	3,524	3,304
	4,743	**5,113**

Of the current taxes in 2012, € – 67 thousand (income) relate to prior years (2011: € 72 thousand).

€ thousand	2012	2011
Deferred taxes:		
Germany	593	282
Foreign subsidiaries	359	3.420
	952	**3,702**
Total taxes	**5,695**	**8,815**

The reconciliation of Group tax expense, determined based on the marginal tax rates applicable in Germany, to the Group's reported tax expense is as follows:

€ thousand	2012	2011
Basis for determining the tax expenditure (earnings before taxes)	17,460	20,230
Expected tax expenditure based on group tax rate	5,269	6,104
Tax rate differences at subsidiaries	338	210
Taxes for prior years	– 67	72
Non-deductible expenses	408	396
Tax-free income	– 267	– 94
Estimate correction on deferred tax assets	0	2,182
Use of previously non-capitalized deferred taxes on loss carry-forwards	– 490	– 221
Non-capitalized deferred taxes on losses of the fiscal year	601	147
Other	– 97	19
Effective tax expenditure	**5,695**	**8,815**

In order to calculate deferred taxes, the following tax rates at the parent company were used as of December 31, 2012, which were unchanged versus December 31, 2011: corporation tax 15 %, solidarity surcharge on corporation tax 5.5 %, and trade tax 14.35 %. For foreign companies, the prevailing local tax rates have been applied when calculating deferred taxes.

Deferred taxes are based on the differences between the amounts reported in the consolidated financial statements for assets and liabilities and the corresponding amounts included in the tax accounts of the respective individual Group companies. In addition, they apply to any 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 totaling € 1,201 thousand (2011: € 3,156 thousand) and deferred tax income of € 356 thousand (2011: € 92 thousand) are attributable to changes in the tax loss carry-forwards in the reporting year, while deferred tax expenses of € 107 thousand (2011: € 638 thousand) are related to temporary differences. Increases in the deferred taxes on temporary differences in the amount of € 26 thousand (2011: € 32 thousand) result from currency translations.

During the reporting year, deferred tax income of € 587 thousand (2011: € 191 thousand) was offset outside profit and loss directly in equity.

As part of the initial consolidation of Eckert & Ziegler Vitalea Science Inc., deferred tax liabilities totaling € 80 thousand were recognized in the balance sheet.

In total, deferred tax assets of € 7,408 thousand (2011: € 8,253 thousand) have been capitalized on tax loss carry-forwards. The vast majority of the tax loss carry-forwards existing as of December 31, 2012 may be indefinitely carried forward in full. Deferred tax assets on tax loss carry-forwards totaling € 119 thousand begin to expire starting in 2017. Deferred tax assets totaling € 121 thousand (2011: € 1,336 thousand) are attributable to companies that generated a loss for tax purposes in 2012.

The corrections to deferred tax assets in fiscal year 2011 concerned primarily the circumstances presented in note 6 “Changes in estimates” in the Radiation Therapy segment (2011).

In fiscal year 2012, tax loss carry-forwards totaling € 490 thousand (2011: € 221 thousand) were utilized for which no deferred tax assets for the tax loss carry-forwards were established as of December 31 of the prior year. As of December 31, 2012, the Group has tax loss carry-forwards of € 11,731 thousand for which no deferred tax assets have been recognized. Due to the different tax systems and tax regulations in individual countries, we believe that the disclosure of a total amount of existing tax loss carry-forwards provides only limited informational value. For this reason, the amount of deferred tax assets that would be attributable to these tax loss carry-forwards is also disclosed in the following. The total amount of deferred tax assets on these tax loss carry-forwards that were not recognized in the balance sheet as December 31, 2012 is € 3,910 thousand (2011: € 3,868 thousand).

No deferred tax liabilities were established for temporary differences resulting from the reinvested earnings of subsidiaries in the amount of € 15,018 thousand (2011: € 15,286 thousand) because Eckert & Ziegler AG is able to control the timing of the reversal and the temporary differences will not be reversed in the foreseeable future.

The deferred tax assets and liabilities attributable to individual items in the balance sheet are presented in the following overview:

	Deferred tax assets		Deferred tax liabilities	
€ thousand	**2012**	2011	**2012**	2011
Tax loss carry-forwards	7,408	8,253	0	0
Fixed assets	493	149	5,765	5,053
Securities	0	0	1	1
Receivables	387	194	162	422
Liabilities	381	253	0	0
Inventories	232	272	42	42
Provisions	4,400	4,093	0	0
Other	306	318	54	13
Subtotal	**13,607**	**13,532**	**6,024**	**5,531**
Balancing	– 4,503	– 3,718	– 4,503	– 3,718
Balance according to the consolidated balance sheet	**9,104**	**9,814**	**1,521**	**1,813**

19. PROFIT ATTRIBUTABLE TO MINORITY INTERESTS

Included in the Group net income after taxes is profit attributable to minority interests in the amount of € 1,472 thousand (2011: € 997 thousand).

20. EARNINGS PER SHARE

Earnings per share were calculated as follows:

	At year-end	
€ thousand	**2012**	2011
Numerator for calculation of the profit and the diluted earnings per share – earnings share of the shareholders of Eckert & Ziegler AG	10,293	10,418
Denominator for calculation of the earnings per share – weighted average of the number of shares (in thousands)	5,288	5,274
Effect of diluted stock options	0	0
Denominator for calculation of the diluted earnings per share – weighted average of the number of shares (in thousands)	5,288	5,274
Undiluted earnings per share (in EUR)	1.95	1.98
Diluted earnings per share (in EUR)	1.95	1.98

The average price of ordinary shares during the period under review has been used to determine the dilutive effect of share options.

Notes to the consolidated balance sheet

Adjustment of prior period amounts:

Until now, some cost components were not taken into account in the calculation of the provision for the disposal of radioactive materials. The prior-period correction required as per IAS 8.41 et seq. had the following effects on assets, liabilities and shareholders' equity:

	Jan 1, 2011 reported	Correction	Jan 1, 2011 corrected	Dec 31, 2011 corrected
Deferred tax assets	11,881	+ 311	12,192	9,814
Other non-current provisions	17,841	+ 984	18,825	20,627
Shareholders' equity (retained earnings)	11,729	– 673	11,056	18,125

The correction had no impact on consolidated net profit as well as both undiluted and diluted earnings per share for the 2011 fiscal year.

21. INTANGIBLE ASSETS

Reported intangible assets include goodwill, customer relationships, bans on competition, patents and technologies, licenses and software, capitalized development costs as well as other intangible assets.

a) Intangible assets not subject to regular amortization
The intangible assets not subject to regular amortization are exclusively goodwill.

The balance of goodwill changed as follows during fiscal years 2012 and 2011:

€ thousand	**2012**	2011
As of January 1	31,252	29,662
Additions	87	1,173
Impairments	0	0
Currency translation differences	– 217	417
As of December 31	**31,122**	**31,252**

The decline is primarily attributable to currency translation differences because a significant portion of the goodwill is attributable to companies in the Isotope Products segment, whose accounting records are maintained in US dollars. In contrast, an addition to goodwill in the Isotope Products segment occurred in connection with the acquisition of Vitalea Science Inc. by Eckert & Siegler Isotope Products Inc in September 2012 (refer also to the explanations under note 42).

In the prior year, the increase is mostly due to the additional goodwill in the Radiopharma segment in connection with the acquisition of the radiopharmaceutical device division of the American firm Bioscan Inc. by Eckert & Ziegler Radiopharma GmbH in July 2011 (see also explanations under note 42).

Specifically, goodwill is broken down among the business fields as follows:

€ thousand	Goodwill 2012	Goodwill 2011
Radiation Therapy	12,148	12,148
Isotope Products	16,550	16,655
Radiopharma	2,424	2,449
As of December 31	**31,122**	**31,252**

The capitalized goodwill was tested for impairment in fiscal year 2012 in accordance with IAS 36. The goodwill was allocated to the relevant cash-generating units (CGU). These represent the lowest levels at which goodwill and assets are monitored for corporate management purposes. 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 value in use of the cash-generating units is derived from the discounted future cash flows that were determined based on the current five-year budgets. Cash flows for the period thereafter were forecast to grow between 0 % and 3 % (2011: 0 to 3 %). The discount rate before tax for the Radiation Therapy and Radiopharma segments was 17.6 % and 16.3 %, respectively (2011: 15.8 % and 14.6 %, respectively), while 15.7 % was used for the Isotope Products segment (2011: 14.7 %) (see also the explanations under note 3).

The outcome of the impairment test as of December 31, 2012 was that based on the recoverable amounts of the respective goodwill positions, there is no need for impairment (2011: likewise no impairment need).

The outcome of the impairment test for the goodwill of the Isotope Products segment was that there are no conceivable potential changes to the primary assumptions that could result in the carrying amount of the goodwill exceeding the recoverable amount.

For the impairment test of the goodwill of the Radiation Therapy segment, a scenario analysis was performed that led to the following results:

Change compared to the base scenario	Base scenario	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Change in revenues	0 %	– 5 %	– 10 %	0 %	0 %	– 10 %
Change in cost of sales	0 %	– 4 %	– 8 %	0 %	0 %	– 8 %
Change in WACC	0 %	0 %	0 %	+ 2 %	+ 4 %	+ 3 %
Cumulative 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 %	84 %	69 %	100 %	100 %	69 %
Calculated goodwill	100 %	84 %	69 %	84 %	72 %	53 %
Calculated goodwill (EZAG share) in relation to carrying amount	1.33	1.13	0.92	1.12	0.96	0.71
Impairment need	No	No	Yes	No	Yes	Yes

b) As at December 31 of the 2012 and 2011 fiscal years, amortized intangible assets consist of the following:

(1) Acquired intangible assets

€ thousand	**2012**	Remaining amortization period	2011
Customer relationships	5,096	2–10 years	6,110
Licenses / software / permits	3,154	1–8 years	2,344
Patents / technologies	1,723	2–15 years	2,023
Other	0		435
As of December 31	**9,973**		**10,912**

(2) Internally generated intangible assets

€ thousand	**2012**	Remaining amortization period	2011
Capitalized development costs (ongoing projects)	3,128		1,916
Equipment for the radiopharmaceutical synthesis	0	0 years	367
Other	117	4 years	151
As of December 31	**3,245**		**2,434**

Development costs totaling € 1,553 thousand were capitalized in fiscal year 2012 (2011: € 1,477 thousand). Impairment tests were performed for development projects that were not yet completed as of the reporting date. These tests confirmed the recoverability of the respective capitalized amounts.

Intangible assets were amortized using the straight-line method. In accordance with the functional area of the respective intangible asset, this amortization expense is reported in the income statement in costs of sales, selling expenses, research costs, development costs that cannot be capitalized and general administration costs (see also explanations under note 13).

The change in the balance of intangible assets from January 1 to December 31, 2012 is presented in the fixed asset movement schedule.

22. PROPERTY, FACILITIES AND EQUIPMENT

The changes in property, facilities and equipment from January 1 to December 31, 2012 are shown in the fixed asset movement schedule.

Assets connected to finance lease contracts are included in property, facilities and equipment. The net carrying amounts of assets accounted for as finance leases amount to € 61 thousand as of December 31, 2012 (2011: € 401 thousand).

In addition to current replacement investments, the additions during fiscal year 2012 mainly concern expanding and modernizing existing production installations.

Assets from property, facilities and equipment in the amount of € 1,249 thousand were pledged as collateral for bank loans (2011: € 1,187 thousand).

23. PARTICIPATING INTERESTS AND FINANCIAL INVESTMENTS MEASURED ACCORDING TO THE AT-EQUITY METHOD

In fiscal year 2009, Eckert & Ziegler BEBIG s.a. founded the joint venture ZAO "NanoBrachy-Tech" together with OOO Santis and the Russian state fund "RUSNANO." Eckert & Ziegler BEBIG s.a. contributed intangible assets to the joint venture and received a 15 % interest in the Joint Venture ZAO "NanoBrachyTech" in return. The investment of Eckert & Ziegler BEBIG s.a. in the joint venture, which is measured using the equity method, amounted € 0 as of December 31, 2012 (2011: € 0 thousand). The decline in the carrying amount of this investment during the 2011 fiscal year is due to a value impairment in the amount of € 108 thousand (see also explanations under note 16).

Due to a lack of IFRS-based financial statements as of December 31, 2012 and December 31, 2011, reliable disclosures regarding the income statement of the joint venture company cannot be made.

24. NON-CURRENT TRADE RECEIVABLES

In December 2012, the Radiation Therapy segment sold expertise totaling € 2,086 thousand to a customer. The resulting receivable includes a partial payment of € 200 thousand that is due in 2013. The remaining amount of € 1,886 thousand is due in several installments until 2016 and is therefore reported in the balance sheet as non-current trade receivables.

25. OTHER NON-CURRENT ASSETS

Among other items, other non-current assets include a receivable against the joint venture ZAO "NanoBrachyTech" in the amount of € 1,855 thousand (2011: € 1,095 thousand). This receivable results from the conversion of trade receivables into two long-term loans from Eckert & Ziegler BEBIG s.a. to the joint venture. As of December 31, 2012, the loans have a nominal amount of € 583 thousand (agreed interest rate is 8 % p.a.; to be repaid by December 31, 2014) and a nominal amount of € 1,714 thousand (agreed interest rate is 2.5 %; to be repaid by December 31, 2017).

In September 2012, a loan and share option agreement was concluded with Eckert Wagniskapital und Frühphasenfinanzierung GmbH. The amount of this agreement totaling € 1,500 thousand (2011: € 0 thousand) is likewise reported under other non-current assets.

Furthermore, other non-current assets include a payment from a customer to a bank account of a Group company in the amount of € 300 thousand (2011: € 300 thousand). This payment serves as security for the fulfillment of a long-term disposal obligation of the customer for a production system that is located in a Group business premises, even though the system is the property of the customer. These funds are currently restricted because they may only be utilized if the customer breaches its contractual disposal obligations.

In addition, this item includes assets paid into a decontamination fund totaling € 66 thousand (2011: € 55 thousand). These payments into the fund are in connection with future decontamination and restoration obligations related to systems and equipment of Eckert & Ziegler Analytics Inc., Atlanta, USA. The payments are stipulated by law and subject to state supervision, therefore utilization is restricted.

26. CASH AND CASH EQUIVALENTS

Cash and cash equivalents totaling € 30,842 thousand (2011: € 32,304 thousand) consist of checks, cash on hand and bank balances with a maturity of less than three months. Cash and cash equivalents agree to the financial holdings in the consolidated cash flow statement.

27. SECURITIES

Securities are all classified as available-for-sale financial assets. Securities as of December 31, 2012 and 2011 consist of the following:

				Dec 31, 2012
€ thousand	Acquisition costs	Unrealized profits	Unrealized losses	Fair value
Investment funds	19	3	0	22
Total securities in current assets	**19**	**3**	**0**	**22**

				Dec 31, 2011
€ thousand	Acquisition costs	Unrealized profits	Unrealized losses	Fair value
Investment funds	19	3	0	22
Total securities in current assets	**19**	**3**	**0**	**22**

The fair value of securities is based on quoted prices.

28. TRADE RECEIVABLES

Trade receivables as at December 31, 2012 and 2011 consist of the following:

€ thousand	**2012**	2011
Trade receivables	21,734	19,525
Less value adjustments	– 1,619	– 1,432
As of December 31	**20,115**	**18,093**

29. INVENTORIES

Inventories as at December 31, 2012 and 2011 consist of the following:

€ thousand	2012	2011
Raw materials, consumables and supplies	10,926	9,600
Finished products	3,600	3,852
Unfinished products	1,478	1,272
	16,004	**14,724**
Less impairments	– 538	– 510
As of December 31	**15,466**	**14,214**

Raw materials as well as consumables and supplies mainly relate to nuclides and components required for the production of finished goods.

Impairments carried out based on a comparison of the net realizable amount and the carrying amount of inventories increased by € 28 thousand (2011: decrease of € 24 thousand).

30. OTHER CURRENT ASSETS

Other current assets totaling € 6,005 thousand (2011: € 4,674 thousand) include, in addition to tax prepayments totaling € 883 thousand (2011: € 2,335 thousand), VAT tax receivables from tax authorities in the amount of € 1,436 thousand (2011: € 197 thousand) and a receivable from a general contractor agreement with Eckert Beteiligungen 2 GmbH totaling € 1,783 thousand (2011: € 909 thousand), primarily deferred expenses and prepayments made.

31. CAPITAL AND RESERVES

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

In accordance with the resolution of the Annual General Meeting on May 24, 2012, the balance sheet profit under commercial law of Eckert & Ziegler AG as of December 31, 2011 in the amount of € 3,328 thousand was used to distribute a dividend of € 0.60 per bearer share entitled to a dividend (€ 3,173 thousand). The remainder was carried forward to retained earnings (€ 155 thousand).

The subscribed capital of Eckert & Ziegler AG as of December 31, 2012, amounts to € 5,292,983. It is divided into 5,292,983 no-par value owner bearer shares and is paid in full. The number of shares in circulation (without consideration of own shares) is 5,288,165 as of December 31, 2012.

Pursuant to the German Stock Corporation Act (Aktiengesetz or "AktG"), any potential dividend to be distributed to shareholders must be based on the balance sheet profit as shown in the Eckert & Ziegler AG financial statements that are prepared in accordance with German commercial law standards. A proposal has been made to the Annual General Meeting to pay the shareholders a dividend of € 3,173 thousand (€ 0.60 per share) from the 2012 balance sheet profit of Eckert & Ziegler AG.

Authorized capital

Based on a resolution of the Annual General Meeting on May 20, 2010, the Executive Board was authorized, with the consent of the Supervisory Board, to increase the Company's subscribed capital until May 19, 2015, either one time or several times, by up to a total of € 1,000,000 by issuing up to 1,000,000 owner bearer shares for cash and / or non-cash contributions (authorized capital for 2010).

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

In case of capital increases against cash contributions, an exclusion of the subscription right is only permitted to the extent necessary to compensate for fractional shares or if the increase in capital in total does not exceed 10 % of the subscribed capital and the issue price of the new shares is not 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 adopted a resolution, amended by the resolution of the Annual General Meeting of May 20, 2003, for a contingent increase in the Group's subscribed capital by a maximum of € 300,000, divided into a maximum of 300,000 bearer shares ("contingent capital 1999"). The contingent capital increase may only implemented to the extent that the holders of stock options, which were issued based on the authorization provided to the Executive Board by the Annual General Meeting of April 30, 1999, utilize their subscription right to shares in the Group and the Group does not fulfill the option right by transferring own shares or by making a cash payment.

In September 2009, the Executive Board exercised this authorization and implemented a capital increase of € 31,650 from this contingent capital by issuing 31,650 no-par-value owner bearer shares.

In fiscal year 2010, the Executive Board once again exercised this authorization, with the consent of the Supervisory Board, and increased the subscribed capital by € 32,700 from this contingent capital by issuing 32,700 no-par-value bearer shares.

On May 24, 2012, the Annual General Meeting adopted a resolution to cancel the resolution adopted by the Annual General Meeting on May 20, 2009 regarding the "contingent capital 2009." At the same time, a decision was made to create a new tranche of contingent capital ("contingent capital 2012"). This involved the approval of a contingent increase in the subscribed capital by up to € 1,639,316. The contingent capital increase will only be implemented to the extent that the holders of convertible bonds or bonds with warrants, participation rights or income bonds (or combinations thereof) utilize their conversion rights or fulfill their conversion obligation and as long as the Company does not utilize own shares, shares from the authorized capital or shares of another listed company to settle the obligation.

Notification regarding changes to voting share percentage

In September 2011, Eckert & Ziegler AG announced by publication in the company register that on September 23, 2011, FPM Funds SICAV Luxembourg, Luxembourg informed it in accordance with Section 21 (1) WpHG (German Securities Trading Act or "WpHG") that FPM Fund's 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 that on this day, FPM Fund's voting share percentage amounted to 2.987 % (this corresponds with 158,100 voting rights).

There were no situations in 2012 that must be disclosed in accordance with the WpHG.

Reserves

Capital reserves include the amount above par value (capital surplus) that was received by issuing shares, minus the issuing costs (after tax).

Furthermore, capital reserves include the amounts recognized in connection with share-based payments (IFRS 2). In the period under review, as in the prior year, no expense was recognized in capital reserves from the issuance of share options.

Retained earnings consist of undistributed prior-period earnings of consolidated Group companies. In addition, retained earnings include adjustments resulting from the first-time adoption of IFRS. Retained earnings also include exchange rate differences in the amount of € – 1,658 thousand resulting from the translation of the financial statements of foreign subsidiaries (2011: € – 1,269 thousand). Movements in 2012 and 2011 relate primarily to the American subsidiaries. In addition, the reserves include changes in the value of securities classified as available for sale that are recognized directly in equity (after tax) totaling € 2 thousand (2011: € 2 thousand) and the actuarial gains / losses recognized in equity from defined benefit pension obligations totaling € – 1,640 thousand (2011: € – 417 thousand).

Own shares

Based a resolution adopted by the Annual General Meeting on May 20, 2010, the Executive Board is empowered until November 19, 2015 to acquire own shares for purposes other than securities trading for up to 10 % of the subscribed capital. No more than 10 % of the subscribed capital may be attributable to the shares purchased based on this authorization together with other own shares of the Group that the Group had already purchased, still owns or is apportioned according to Sections 71a et seq. of the German Stock Corporation Act (Aktiengesetz or "AktG"). The Executive Board was further authorized, with the Supervisory Board's consent, to use the Company's own shares that had been previously purchased based on earlier authorizations as follows, besides via the stock exchange or by an offer to all shareholders:

- Own shares may be retired without the need for a decision from an Annual General Meeting concerning the retirement or its execution.

- Own shares may be sold for contributions in kind, provided the purpose is to acquire companies, interests in companies, parts of companies, industrial property rights such as patents, trademarks or licenses for these, or assets and services that are similar to contributions in kind.

- In accordance with Section 186 (3) sentence 4 of the AktG, own shares may be sold for cash provided that the sales price does not fall significantly below the average closing price of the share on the Frankfurt Stock Exchange over the previous five trading days prior to the sale (not including any acquisition costs).

- Own shares may be used to satisfy the obligations of the Group's stock option plan that was agreed in the Annual General Meeting of April 30, 1999 and amended in the Annual General Meeting of May 20, 2003. The Group's Supervisory Board is responsible for deciding if own shares are to be transferred to members of the Group's Executive Board.

- The shares may be utilized to fulfill the Group's obligations from conversion rights or conversion obligations from convertible bonds issued by the Group.

In March 2003, the Executive Board exercised the authority granted to it in prior years and acquired a total of 320,000 own shares (approx. 9.8 % of the subscribed capital) at an average price of € 3.35 per share.

In October 2003, 5,503 of these shares were resold. The acquisitions of Eckert & Ziegler MMI GmbH and Eckert & Ziegler Isotope Products GmbH in fiscal year 2004 were partially financed using the Group's own shares. To this end, a total of 139,648 of the Group's own shares were utilized. Furthermore, loans due in March and August 2006 were settled with the issuance of 17,214 shares. Until now, 51,000 own shares were utilized to service the options issued under the employee stock option program (2007: 2,700 shares, 2006: 2,900 shares, 2005: 32,000 shares, 2004: 13,400 shares). In fiscal year 2007, 200 own shares, which were used for servicing employee stock options, were repurchased on the stock exchange.

In connection with 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 accounted for in 2008 by appropriating € 566 thousand outside of profit and loss to the capital reserve for own shares. 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 fiscal year, 35,331 own shares were acquired via the stock exchange at an average price of € 12.33 per share as part of a share buy-back program. In order to service exercised share options, 1,600 own shares were used; 15,331 own shares were sold via the stock exchange. In the 2010 fiscal year, 20,000 own shares were sold via the stock exchange, and 33,750 own shares were used to acquire the shares or loan receivables of minority shareholders. Transactions with own shares resulted in a gain totaling € 951 thousand in the 2010 fiscal year (2009: € 208 thousand), which was recognized outside profit and loss in the capital reserve for own shares.

The portfolio of own shares stood at 4,818 shares as of December 31, 2012. This equates to a 0.1 % share of the Company's subscribed capital.

The change in the number of outstanding stock options is presented in the "Other disclosures" section.

The number of shares in circulation changed as follows in fiscal years 2012 and 2011:

€ thousand	**2012**	2011
As of January 1	5,288,165	5,221,498
Sale of own shares	0	66,667
As of December 31	**5,288,165**	**5,288,165**

32. LOANS AND FINANCIAL LEASING LIABILITIES

Loans and financial leasing liabilities as of December 31, 2012 and 2011 consist of the following:

€ thousand	**2012**	2011
Loan liabilities to banks	15,319	16,954
Lease liabilities	88	334
Other loan liabilities	39	701
Loan and lease liabilities as of December 31, total	**15,446**	**17,989**
thereof current	5,673	5,099
thereof non-current	9,773	12,890

The following table provides an overview of the loans and financial leasing liabilities as of December 31 of the respective fiscal year:

€ thousand	Interest rate p.a.	**2012**	2011
Loan from Deutsche Bank AG	3M EURIBOR + 2.4 %	3,713	5,363
Loan from Deutsche Industrie Bank AG (IKB) (ERP innovation program)	4.75 % to 4.85 %	3,437	4,062
Loan from DZ Bank	3.10 %	2,076	0
Loan from Commerzbank AG	4.65 %	1,895	1,932
Loan from Comerica Bank (USA)	Prime + 1 %	1,118	0
Loan from Commerzbank AG (KfW global loan)	6.10 %	660	1,007
Loan from Deutsche Bank AG	4.45 %	632	1,263
Loan from Credit Agricole	5.00 %	508	648
Loan from Commerzbank AG (KfW global loan)	4.27 %	440	880
Loan from Commerzbank AG	4.90 %	379	773
Loan from previous shareholders from the takeover of shares	0 % to 7.5 %	40	117
Loan from affiliated persons	6.50 %	0	280
Loan from Comerica Bank (USA)	Libor + 2.50 %	0	193
Loan from Comerica Bank (USA)	Libor + 2.75 %	0	114
Other loans	0 % to 6 %	460	1,023
Leasing liabilities		88	334
Loan liabilities as of December 31, total		**15,446**	**17,989**

In the 2012 fiscal year, loans and financial leasing liabilities decreased significantly compared to the prior year. The decline is primarily attributable to the scheduled repayment of existing loans, while new loans were obtained only in connection with the acquisition of Vitalea Science Inc. by Eckert & Ziegler Isotope Products Inc. and in connection with the establishment of a production site in Warsaw by Eckert & Ziegler f-con Deutschland GmbH.

In May 2012, Eckert & Ziegler f-con Deutschland GmbH obtained a loan to finance the construction of a production site for its Polish subsidiary in Warsaw. The total amount of the loan was € 6,530 thousand, of which € 2,076 thousand was utilized as of December 31, 2012. The loan has a term until April 30, 2019 and will be repaid in quarterly installments of € 109 thousand plus interest commencing in 2014.

In October 2012, Eckert & Ziegler Vitalea Science Inc. took out a loan of USD 1,500 thousand. The loan has a term until October 10, 2017 and will be repaid in monthly installments of USD 25 thousand.

In June 2011, a loan was obtained from Commerzbank AG in the amount of USD 2,500 thousand. The loan has a term until June 30, 2018, and must be repaid in quarterly installments of USD 125 thousand commencing from September 30, 2013.

In May 2010, Eckert & Ziegler AG obtained a loan from Deutsche Bank AG totaling € 8,250 thousand for the partial refinancing of the additional shares in International Brachytherapy s.a. that were acquired as part of a tender offer. The loan has a term until March 31, 2015 and will be repaid in quarterly installments of € 412 thousand. A right of lien to the securities held in the custody account of Eckert & Ziegler AG at Deutsche Bank serves as collateral for the bank.

A loan from Deutsche Industriebank AG (IKB) from the ERP Innovation Program was used to finance research and development projects at Eckert & Ziegler Radiopharma GmbH. The loan has a term until September 30, 2015 and will be repaid in quarterly installments of initially € 104 thousand plus interest beginning from December 30, 2009. The quarterly payments increase to € 312 thousand plus interest starting from December 30, 2012.

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

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

In 2009, the loan from Deutsche Industriebank AG (IKB) (loan with profit participation) was repaid in full for the original amount of € 2,812 thousand as of June 30, 2008. The refinancing was carried out via a loan from Commerzbank AG (global loan from the German Reconstruction Loan Corporation (Kreditanstalt für Wiederaufbau or “KfW”)) in the amount of € 2,000 thousand with a term until September 30, 2014. The loan will be repaid in equal quarterly installments (including interest) in the amount of € 100 thousand.

In order to repay the loan granted by former shareholders in fiscal year 2007 as part of the company acquisition, Eckert & Ziegler EURO-PET Köln / Bonn GmbH took out a loan from Commerzbank AG (KfW global loan) in the amount of € 2,200 thousand in 2008. The loan has a term until December 30, 2013 and has been repaid in quarterly installments of € 110 thousand plus interest starting from March 30, 2009. The Group’s cyclotron was pledged to the bank as collateral for the loan.

The Group has credit lines totaling € 18,628 thousand, of which € 116 thousand was used for guarantees. As of December 31, 2012 and 2011, the residual terms of the loan and lease liabilities consisted of the following:

€ thousand	2012	2011
Residual term up to 1 year	5,673	5,099
Residual term > 1 to 5 years	9,030	12,310
Residual term more than 5 years	743	580
Loan and lease liabilities as of December 31, total	**15,446**	**17,989**

33. DEFERRED INCOME FROM GRANTS AND OTHER DEFERRED INCOME

Deferred income from grants as of December 31 of each year consists of the following:

€ thousand	2012	2011
Deferred short-term grants	92	229
Deferred long-term grants	954	999
As of December 31	**1,046**	**1,228**

34. PROVISIONS FOR PENSIONS

Pension obligations were calculated in accordance with IAS 19 based on the projected unit credit method (PUC method) by taking into account the present value of the pension claims earned as of the balance sheet date together with probable future increases in pensions. The actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out as of December 31, 2012 by Longial AG and Allianz Lebensversicherung AG, respectively (2011: Mercer Deutschland GmbH and Allianz Lebensversicherung AG, respectively).

The most important assumptions underlying the actuarial valuation are:

%	Dec 31, 2012	Dec 31, 2011
Discounting rate(s)	2.75 to 3.45	4.5 resp. 4.7
Expected income from plan assets	2.75	3.00
Expected percentual salary increases	3.00	3.00
Expected percentual pension increases	1.75	1.75
Expected percentual inflation rate	2.00	2.00

As of December 31 of the respective fiscal year, the following actuarial amounts resulted:

€ thousand	2012	2011
Cash values of the defined benefit plans	9,207	7,149
Plan assets at fair value	– 344	– 333
Pension provisions as of December 31	**8,863**	**6,816**

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

€ thousand	2012	2011
Pension provisions as of January 1	6,816	5,913
Expenditure for pension obligations	473	479
Actuarial gains (–) and losses (+)	1,786	635
Disbursements from plan assets	4	17
Income from plan assets	– 15	– 24
Pension payments	– 201	– 204
Pension provisions as of December 31	**8,863**	**6,816**

The following amounts were recognized in the income statement of the respective fiscal year:

€ thousand	2012	2011
Service period cost	158	155
Interest paid	315	325
Expected income from plan assets	– 9	– 10
Total recognized amounts	**464**	**470**

The following amounts were recognized in the statement of comprehensive income of the respective fiscal year:

€ thousand	2012	2011
Cumulative actuarial gains (–) / losses (+) on January 1	633	– 2
Addition / disposal	1,786	635
Cumulative actuarial gains (–) / losses (+) on December 31	**2,419**	**633**

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 fiscal year are as follows:

€ thousand	**2012**	2011
Opening balance of plan assets recognized at fair value	333	325
Expected income from plan assets	9	10
Actuarial gains	6	15
Disbursements from plan assets	– 4	– 17
Closing balance of plan assets recognized at fair value	**344**	**333**

Pension payments in the amount of € 387 thousand are expected for fiscal year 2013.

The present value of the defined benefit pension entitlements and the fair value of the plan assets developed as follows:

€ thousand	**2012**	2011	2010	2009	2008
Defined benefit obligation	9,207	7,149	6,238	6,029	420
Plan assets	344	333	325	322	0
Funded status	**– 8,863**	**– 6,816**	**– 5,913**	**– 5,707**	**– 420**

Furthermore, pension plans exist for two current Executive Board members, which have been designed as employee-financed defined contribution plans (deferred compensation payments). The amount of the deferred compensation payments for the pension plans amounted to € 111 thousand in the 2012 fiscal year (2011: € 111 thousand). The pension commitments are financed through a congruent reinsured benevolent fund.

35. OTHER PROVISIONS

The following table provides an overview of the changes in other provisions during fiscal years 2012 and 2011.

€ thousand	**2012**	2011
Provisions for environmental restoration	13,706	12,638
Other provisions	6,921	7,989
Other provisions as of December 31	**20,627**	**20,627**

The environmental restoration provisions include expected expenses for the disposal of production systems. They changed as follows in fiscal years 2012 and 2011:

€ thousand	2012	2011
Provisions for environmental restoration as of January 1	12,638	10,877
Additions / disposals	621	1,354
Compounding	488	347
Currency translation	– 41	60
Provisions for environmental restoration as of December 31	**13,706**	**12,638**

In accordance with IFRIC 1, the measurement of environmental restoration provisions in 2012 includes an adjustment to align discount rates with matching maturities to changes in the capital markets. These adjusted interest rates lie between 0.2 % and 2.5 %. Retaining the prior year's interest rates of 0.7 % to 4.4 % would have resulted in a provision for environmental restoration that was € 405 thousand lower. The cash payments for the disposal of the production systems are expected in fiscal years 2013 to 2030.

For some sites, amounts are 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 € 66 thousand (2011: € 55 thousand).

Other provisions as of December 31, 2012 are primarily long-term provisions totaling € 6,581 thousand for the obligation to process the Group's own radioactive waste and radioactive waste accepted from third parties (2011: € 7,665 thousand).

36. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities primarily consist of three interest swaps in the amount of € 1,026 thousand (2011: € 699 thousand). These are derivatives accounted for in accordance with IAS 39.9 as financial liabilities measured at fair value through profit and loss. Further information on derivative financial instruments can be found in the explanations under note 38. The portion of these swaps that is likely due in the short term totaling € 176 thousand (2011: € 137 thousand) is reported under other current liabilities.

37. OTHER CURRENT LIABILITIES

At December 31 of each respective year, the item other current liabilities is composed of the following:

€ thousand	2012	2011
Liabilities from wages and salaries	4,474	4,192
Liabilities from social security obligations	284	334
Liabilities to tax authorities	1,098	481
Liabilities from other deferrals	5,466	2,874
Liabilities from the disposal of radioactive materials	3,648	3,168
Other liabilities	1,783	3,384
As of December 31	**16,753**	**14,433**

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 carrying amount of all categories of financial assets and liabilities:

€ thousand	**2012**	2011
Financial assets		
Cash and cash equivalents	30,842	32,304
Financial assets available for sale	22	22
Receivables	26,558	18,495
Derivative financial instruments	1,500	0
As of December 31	**58,922**	**50,821**
Financial liabilities		
Financial liabilities at amortized cost	39,653	37,731
Derivative financial instruments	1,202	836
As of December 31	**40,855**	**38,567**

Securities are included under the item financial assets held for sale. The Group owns a money market fund as of December 31, 2012. This fund is traded on the stock exchange. The fund's net asset value is determined on a daily basis. The item derivative financial instruments includes the loan and option contract with Eckert Wagniskapital und Frühphasenfinanzierung GmbH that is measured at fair value through profit and loss.

Interest swaps measured at fair value through profit and loss are also included in the item derivative financial instruments. Market prices, at which the swaps can be redeemed at all times, are determined for these swaps.

Loans and receivables consist of the following:

€ thousand		**2012**	2011
Loans and receivables			
Trade receivables	current	20,115	18,093
Trade receivables	non-current	1,886	0
Receivables due from related parties and companies	current	1,983	0
Receivables due from related parties and companies	non-current	1,855	0
Other receivables	non-current / current	719	402
As of December 31		**26,558**	**18,495**

Financial liabilities at amortized cost consist of the following:

€ thousand		2012	2011
Financial liabilities at amortized cost			
Loan liabilities	current	5,585	4,648
Loan liabilities	non-current	9,773	12,801
Financial lease liabilities	current	88	246
Financial lease liabilities	non-current	0	89
Trade payables	current	7,454	5,308
Liabilities to employees	current	4,831	4,956
Other liabilities	current	11,922	9,683
As of December 31		**39,653**	**37,731**

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

Fair values of financial assets and liabilities

The following table presents the fair values and the carrying amounts of the financial assets and liabilities that are measured at acquisition cost or amortized cost.

	2012		2011	
€ thousand	Fair value	Book value	Fair value	Book value
Financial assets measured at cost or amortized cost				
Cash and cash equivalents	30,842	30,842	32,304	32,304
Trade receivables and other receivables	26,558	26,558	18,495	18,495
As of December 31	**57,400**	**57,400**	**50,799**	**50,799**
Financial liabilities measured at cost or amortized cost				
Trade payables	7,454	7,454	5,308	5,308
Liabilities to banks and other financial debts	15,169	15,318	17,493	17,449
Liabilities from finance leases	88	88	328	335
Other non-derivative financial liabilities	16,793	16,793	14,639	14,639
As of December 31	**39,504**	**39,653**	**37,768**	**37,731**

The fair value of cash and cash equivalents, of current receivables, of trade liabilities as well as of other current liabilities corresponds approximately with the carrying amount. The primary reason for this is the short maturity of such instruments.

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

The net gains or losses recognized according to IAS 39 categories consist primarily of disposal gains or losses, changes to fair value, value impairments as well as subsequent receipts for financial instruments that have been written off. The following table shows the net gains / losses by category.

€ thousand	**2012**	2011
Receivables / loans	– 551	– 207
Measured at fair value through profit and loss	– 367	– 752
Financial assets available for sale	0	0
Financial liabilities at amortized cost	0	0

The category "measured at fair value through profit and loss" relates to interest rate swaps as well as interest and currency swaps.

Financial assets and liabilities measured at fair value are classified into the following measurement hierarchy:

€ thousand	Level 1	Level 2	Level 3	**Total**
Financial assets measured at fair value				
Financial assets available for sale	22	0	0	22
Derivative financial instruments	0	0	1,500	1,500
As of December 31, 2012	**22**	**0**	**1,500**	**1,522**
Financial liabilities measured at fair value				
Derivative financial instruments	0	– 1,202	0	– 1,202
As of December 31, 2012	**0**	**– 1,202**	**0**	**– 1,202**

€ thousand	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Financial assets available for sale	22	0	0	22
Derivative financial instruments	0	0	0	0
As of December 31, 2011	**22**	**0**	**0**	**22**
Financial liabilities measured at fair value				
Derivative financial instruments	0	– 836	0	– 836
As of December 31, 2011	**0**	**– 836**	**0**	**– 836**

Level 1: The market values for these assets and liabilities are determined based on quoted, unadjusted prices on active markets.

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

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

Risk analysis

In the course of its operational activities, the Group is exposed to credit, liquidity and market risks in the financial sector. Market risks relate in particular to interest- and foreign exchange risk.

Credit risk

Credit risk or risk of non-payment is the risk that a customer or contracting party of Eckert & Ziegler Group cannot meet its contractual obligations. The result of this is, first, the risk of value impairments on financial instruments due to issues of credit rating and, second, the risk of partial or complete loss of contractually agreed payments.

A potential credit risk for the Group arises primarily from its trade receivables. Risk is primarily influenced by the size of the customer as well as regional rules and practices for processing the reimbursement of medical services by public authorities.

Fundamentally, a rating is obtained for new customers and initial deliveries are made against advance payments as a matter of principle. Deliveries to customers who are regarded as permanently uncertain due to their size or location require advance payments or letters of credit as security. As part of Group-wide risk management, credit risk is monitored using regular analyses of all overdue trade receivables.

Risk exposure

The maximum bad debt risk corresponds to the carrying amount of financial assets as of the balance sheet date in the amount of € 20,487 thousand (2011: € 18,495 thousand).

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

As of the reporting date, a geographic breakdown of the maximum credit exposure with respect to trade receivables is as follows:

€ thousand	2012	2011
Europe	10,003	11,534
North America	5,212	3,483
Other	4,900	3,076
As of December 31	**20,115**	**18,093**

The aging of the overdue but unimpaired receivables as of December 31 is as follows:

€ thousand	2012	2011
1 to 90 days	7,403	7,080
Over 90 days	2,640	2,348
	10,043	**9,428**

The overdue but unimpaired receivables relate primarily to receivables due from doctors' practices and foreign clinics. Based on past experience, incoming payments are expected in the above amount.

Customer specifics are used to determine the value impairment on trade receivables. As a rule, the payment behavior of the respective customer to date is evaluated individually before the value impairment of a receivable is made. The development of value impairments on trade receivables is shown below:

€ thousand	2012	2011
As of January 1	1,702	1,495
Net transfers	1,784	967
Recourse	– 1,235	– 752
Exchange rate effects	2	– 8
As of December 31	**2,253**	**1,702**

Liquidity risk

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 adequate amounts of borrowed funds and equity capital are always available.

As part of the Group's financial planning, a liquidity forecast is prepared, from which it is possible to identify in advance the need for borrowed funds, among other things.

In principle, the Group generates its financial funding from its operating business. As of December 31, 2012, Eckert & Ziegler AG and its subsidiaries also have, if needed, credit lines amounting to € 18,628 thousand (2011: € 10,116 thousand). New debt financing is sometimes raised as per the framework conditions described above for extraordinary investments and acquisitions as well as for the repayment of maturing loans.

As of the reporting date of the consolidated financial statements, the consolidated balance sheet includes various current and non-current liabilities to banks. It is necessary for the future liquidity of the Group that this debt financing continues and that it can be refinanced at short notice.

In fiscal year 2010, one significant capital measure was concluded. A loan of € 8.25 million was agreed for the partial refinancing of the IBt tender offer. Fundamentally, variable interest is paid on the loan based on three-month-EURIBOR; however, interest risk was entirely hedged with an interest rate swap that fully corresponds to the repayment structure. The loan will be repaid in full over the five-year term and requires quarterly installments. In addition, Eckert & Ziegler received offers from various banks regarding credit inquiries for several projects that were not realized in 2010. There were no material effects on the increase in the equity and debt financing of Eckert & Ziegler Group even during the financial and economic crisis. The Executive Board believes the reasons for this are the solid financing of the Group with its still relatively high equity ratio, the founder's large stake in the Group and the good prospects for the profitable operating units. To complete the picture, it must also be mentioned that the financial covenants were upheld and that no loans or credit lines were terminated by creditors in the 2012 fiscal year.

Based on its access to third-party financing and its forecast for liquidity needs, the Group has adequate financial funds at the present time to secure its existence and further development. The Group also believes it is able to meet all of its financial obligations, even if a slight increase in the debt ratio were necessary in the coming fiscal years 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 — DEC 31, 2012

€ thousand		Book value	Cash outflow Total	Up to 1 year	1 to 5 years	Over 5 years
Loan liabilities	fixed-interest	10,528	11,432	4,116	6,569	747
Loan liabilities	variable interest	4,830	4,950	1,921	3,029	0
Finance lease liabilities	fixed-interest	88	88	88	0	0
Trade payables	non-interest bearing	7,454	7,454	7,454	0	0
Liabilities to employees	non-interest bearing	4,831	4,831	4,831	0	0
Other liabilities	non-interest bearing	10,720	10,720	10,720	0	0
Derivative financial liabilities		1,202	1,451	318	937	196
As of December 31		**39,653**	**40,926**	**29,448**	**10,535**	**943**

ANALYSIS OF THE CONTRACTUALLY AGREED DUE DATES DEC 31, 2011

TEUR		Book value	Cash outflow Total	Up to 1 year	1 to 5 years	Over 5 years
Loan liabilities	fixed interest	11,499	12,582	3,383	8,575	624
Loan liabilities	variable interest	5,950	6,311	2,286	4,025	0
Finance lease liabilities	fixed interest	335	352	261	91	0
Trade payables	non-interest bearing	5,308	5,308	5,308	0	0
Liabilities to employees	non-interest bearing	4,956	4,956	4,956	0	0
Other liabilities	non-interest bearing	8,847	8,847	8,847	0	0
Derivative financial liabilities		836	988	173	597	218
As of December 31		**37,731**	**39,344**	**25,214**	**13,288**	**842**

The cash outflows for liabilities with variable interest rates are based on an interest rate in 2012 of 1.2 % (2011: 2.9 %).

Foreign exchange risks

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

The main foreign currency transactions in Eckert & Ziegler Group are related to the US dollar as a result of loan repayments and dividend payments of the American subsidiaries and the export business of the German subsidiaries. This effect is only partially offset by the operating activity of some subsidiaries that buy components and goods mainly in US dollars and then sell final products mainly in Euros. In addition to US dollars, there are also surpluses of Polish zloty because of export deliveries. There are virtually no cost positions in this currency; as a result, all revenues in the foreign currency are exposed to foreign currency risk. The transaction risks described above are counteracted by various measures. The loans to the American subsidiaries were partly hedged by an interest rate-currency swap until January 31, 2011.

When necessary, export transactions denominated in Polish zloty are hedged using foreign currency options and forward transactions. As of the reporting date, there were no open positions arising from foreign currency forwards and option transactions.

Risk exposure
As of the reporting date, the Group's exposure to transaction risk was as follows:

	December 31, 2012				December 31, 2011				
Foreign exchange exposure in € thousand	USD	GBP	PLN	CZK	USD	GBP	CHF	PLN	CZK
Currency	6,753	248	174	156	8,845	296	168	464	258
Trade receivables	6,602	195	525	149	5,312	182	12	289	74
Trade payables	– 1,007	– 39	– 263	– 19	– 1,983	– 41	– 11	– 14	– 14
Balance sheet exposure	**12,348**	**404**	**436**	**286**	**12,174**	**437**	**169**	**739**	**318**
Contractual payment obligation from interest-currency swap	0	0	0	0	0	0	0	0	0
Net exposure	**12,348**	**404**	**436**	**286**	**12,174**	**437**	**169**	**739**	**318**

Sensitivity analysis
An increase in the Euro by 10 % compared to the following currencies as of the reporting date – under otherwise constant assumptions – would have led to the following increases (decreases) in the overall results:

	December 31, 2012				December 31, 2011				
Effect in € thousand	USD	GBP	PLN	CZK	USD	GBP	CHF	PLN	CZK
Aggregate result	**– 1,235**	**– 40**	**– 44**	**– 29**	**– 1,217**	**– 44**	**– 17**	**– 74**	**– 32**

A reduction in the Euro by 10 % compared with the currencies referenced above would have led to an equal but opposite effect on the listed currencies as of the reporting date.

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

Interest rate risk
The Group is primarily exposed to interest risk in medium- and long-term interest-bearing financial assets and liabilities due to fluctuations in market interest rates.

No hedging is undertaken if a change in interest rates does not result in a cash flow impact for an item.

In order to limit interest risk when procuring short-term funding, the Group arranged in October 2005 an interest swap with a maturity of 12 years. A reference amount of € 2,000 thousand was hedged at a fixed interest rate of 3.53 %. Eckert & Ziegler AG pays a fixed amount of € 17,650 each quarter until October 2017. In return, the bank pays variable amounts (based on three-month-EURIBOR) quarterly until the expiration of the contract.

In May 2010, the Group concluded a further interest rate swap to limit interest risk for a loan with variable interest rates. The swap has a term of four years; a reference amount of € 6,250 thousand was hedged, which is reduced by € 412 thousand at the end of each quarter. Eckert & Ziegler AG pays fixed interest of 1.55 % on a quarterly basis on the respective reference amount and receives in return variable amounts totaling the three-month EURIBOR interest rate on the respective reference amount.

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

At December 31, 2012, the fair value of these swaps totaled € – 1,202 thousand (2011: € – 836 thousand), and they are reported in the balance sheet under other non-current liabilities. The loss from the change in market value was reported in the income statement under other financial results. The fair value was notified to the Group by the bank with which the swap transactions were concluded. Accordingly, to determine 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 measurement day until the end of the contract; then they are discounted based on the current yield curve, added together and then netted. The discounting of the variable interest payments (EURIBOR) was carried out based on the forward interest rates for the current yield curve with the corresponding maturity. The ensuing balances then represent a positive and a negative cash value for the counterparties from the existing contractual relationship.

Risk exposure

As of the reporting date, the Group has the following medium- and long-term interest-bearing assets and liabilities:

MEDIUM- AND LONG-TERM INTEREST-BEARING ASSETS AND LIABILITIES

€ thousand	**2012**	2011
Interest-bearing financial assets	3,670	22
thereof variable-interest	1,703	22
thereof fixed-interest	1,967	0
Interest-bearing financial liabilities	15,446	17,784
thereof variable-interest	4,830	5,950
thereof fixed-interest	10,616	11,834

The fixed-interest assets include a loan from a converted trade receivable of a joint venture.

Sensitivity of the fair value for fixed-interest financial instruments

Fixed-interest financial liabilities include three interest rate swaps totaling € – 1,202 (2011: € – 836 thousand). A decrease in the market interest rate by 100 basis points would – with otherwise the same assumptions – result in a decrease in the fair value and thus the profit or loss for the period of € 453 thousand (2011: € 607 thousand). An increase in the market interest rate by 100 basis points would have resulted in an increase in the fair value and the profit or loss for the period of € 496 thousand (2011: € 567 thousand).

All other fixed-interest financial instruments are measured at amortized cost. As a result, a change in the market interest rate would not have affected the measurement of these financial instruments as of the reporting date.

Sensitivity of the cash flows for variable-interest financial instruments

An increase in the market interest rate of 100 basis points as of the reporting date would result – subject to otherwise unchanged assumptions – in an increase (decrease) in the net profit of the period as shown below:

	2012		2011	
Effect € thousand	+ 100 base points	– 100 base points	+ 100 base points	– 100 base points
Interest results for variable-interest financial instruments	450	– 407	508	– 548

The variable interest loan to Eckert Wagniskapital und Frühphasenfinanzierung GmbH as well as the corresponding option transaction have the following sensitivities:

Scenario	I	II	III	IV	V	VI
Variable	Interest rate		Volatility		Price of the base value	
+/–	+ 100 bp	– 100 bp	+ 50 %	– 50 %	+ 20 %	– 20 %
Change compared with base	– 56	+ 58	0	– 1	+ 303	– 309

Capital management

Capital at risk is the basis for the Group's capital management. All receivables, equity investments and guarantees that 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 amounts provides the return on capital at risk. The Executive Board monitors the development of this return for the segments over time and uses the knowledge gained therefrom for backward-oriented valuations and forward-oriented targets.

Over the past four years, the "return on capital at risk" metric has developed as follows:

€ thousand	2009	2010	2011	2012
Total Group	20 %	20 %	28 %	26 %
Isotope Products	42 %	61 %	80 %	80 %
Radiation Therapy	12 %	7 %	8 %	9 %
Radiopharma	7 %	10 %	24 %	14 %
Environmental Services	–	N.A.	N.A.	N.A.

Eckert & Ziegler AG (parent company) is subject to the provisions of German company and commercial law regarding minimum capitalization in accordance with Section 92 AktG. Accordingly, an Extraordinary General Meeting must be called if the sum of the parent company's equity under commercial law falls below 50 % of the subscribed capital. This did not occur in fiscal year 2012.

Notes to the consolidated cash flow statement

The financial holdings reported in the consolidated 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 consolidated cash flow statement depicts how cash balances in the Eckert & Ziegler Group have changed due to cash inflows and outflows during the course of the fiscal year. In accordance with IAS 7 (Cash Flow Statements), cash flows in the consolidated cash flow statement have been divided into cash flows from operating, investing and financing activities.

39. OPERATING ACTIVITIES

Cash inflows and outflows are determined indirectly, starting with the profit or loss for the period. The profit (or loss) after tax is adjusted for non-cash expenses and supplemented by changes in assets and liabilities.

40. INVESTING ACTIVITIES

Cash flows from investing activities are derived from actual transactions. These transactions include cash flows in connection with the acquisition, production and sale of intangible assets, property, facilities and equipment, and securities from current assets that are not part of liquid funds.

41. FINANCING ACTIVITIES

Cash flows from financing activities are determined based on actual 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.

Changes in the balance sheet items that are taken into account for the preparation of the consolidated cash flow statement are adjusted to exclude non-cash effects from currency translation and changes in the scope of consolidation. Furthermore, investing and financing transactions that have not impacted liquid funds are not included in the cash flow statement. Because on these adjustments described above, changes to the balance sheet items reported in the consolidated cash flow statement are not directly reconcilable to the corresponding amounts in the published consolidated balance sheet.

Other disclosures

42. ACQUISITIONS AND SALES OF COMPANIES

a) Acquisition of Vitalea Science Inc. in fiscal year 2012

In September 2012, Eckert & Ziegler Isotope Products Inc. acquired the bioanalytical contract research institute Vitalea Science Inc., Davis, USA. The purchase price for the company totaled USD 75 thousand. The company was subsequently renamed to Eckert & Ziegler Vitalea Science Inc.

The details of the acquisition are as follows:

USD thousand	Book value at the time of purchase	Reclassification	Current value at the time of purchase
Intangible assets	0	579	579
Property, plant and equipment	973		973
Receivables	174		174
Other assets	12		12
Cash in hand and at bank	23		23
Liabilities	– 1,696		– 1,696
Deferred taxes		– 103	– 103
Net assets	– 514	476	– 38
Purchase price	– 75		– 75
Goodwill			**– 113**

Since the initial consolidation, revenues of € 185 thousand and a loss of € 241 thousand are included in the 2012 consolidated financial statements.

b) Acquisition of the radiopharmaceutical device division of Bioscan Inc. in fiscal year 2011

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

The details of the acquisition are as follows:

USD thousand	Book value at the time of purchase	Umbewertung	Zeitwert zum Erwerbszeitpunkt
Raw materials, consumables and operating supplies	278		278
Finished products	256	– 34	222
Property, plant and equipment	5		5
Intangible 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 initial consolidation, revenues in the amount of € 1,092 thousand and a profit of € 22 thousand were recognized in the 2011 consolidated financial statements.

43. EMPLOYEE SHARE PURCHASE PROGRAM

On April 30, 1999, the Annual General Meeting authorized the Executive Board to establish a stock option plan for employees and management of the Group and its subsidiaries. The Annual General Meeting of May 20, 2003 made minor amendments to some details of the plan. The employee share purchase program adopted by the Executive Board with the consent of the Supervisory Board provided for the granting of options to purchase a maximum of 300,000 shares from the contingent capital, provided the Group 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 exercise price for the initial tranche of options is equivalent to the share price fixed at the Group's stock flotation, while the exercise price for subsequent tranches is calculated from the average price of the Eckert & Ziegler share on the last five trading days prior to the adoption of the Executive Board resolution on the granting of options.

There were no outstanding stock options as of December 31, 2012. The employee share purchase program is completed, so no further stock options will be issued.

44. LEASING ARRANGEMENTS

Financial obligations as lessee

The Group has concluded lease contracts to be capitalized (finance leases) and contracts not to be capitalized (operating leases) for equipment, vehicles, and property and buildings. As of December 31 of the 2012 and 2011 fiscal years, rental and lease expenses for operating leases amounted to € 1,539 thousand and € 3,063 thousand, respectively.

The Group concluded a long-term lease contract (finance lease) in connection with an administration and production building erected by the company in Berlin on third-party property. This contract requires annual payments of € 167 thousand, of which € 89 thousand are offset against the production costs of the building that were borne by the Group. The contract initially extends until December 31, 2014. Thereafter, the Group has the right – including multiple times and for partial areas of the building – to opt for an extension to the usage period until the production costs paid by the Group for the newly constructed building have been exhausted by calculable rents. Payments for the use of any of the floor space may not be increased before December 31, 2014. Payment to use any newly created floor space will then be renegotiated at this time.

As at December 31, 2012, the future minimum rent payments on non-cancellable operating leases (with initial or residual periods to maturity of more than one year) combined with the future minimum payments on finance leases total the following amounts:

€ thousand	Rent and lease agreements	Thereof finance leases	Present value of the finance leases
As of the end of the respective year (December 31)			
2013	2,900	88	88
2014	2,049	0	0
2015	1,716	0	0
2016	1,386	0	0
2017	1,345	0	0
Thereafter	6,747	0	0
Minimum rent or lease payments, total	**16,143**	**88**	**88**

The finance leases exclusively concern property, facilities and equipment. The carrying amount of the assets on December 31, 2012 was € 61 thousand (2011: € 401 thousand). During the reporting period, € 162 thousand (2011: € 219 thousand) was recognized as expense from finance leases. There are no conditional rental payments in the period under review or in the future. Furthermore, the lease agreements contain no restrictions or obligations.

45. OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES AND RECEIVABLES

Agreements were concluded with a general contractor and a main supplier in connection with the construction of a production plant in Warsaw. This results in an order commitment of approximately € 3.5 million as at December 31, 2012. This commitment will be realized in the 2013 fiscal year.

An agreement was reached with a minority shareholder to acquire his interest. Most of the resulting obligation totaling € 2.8 million will be settled in the 2013 fiscal year, with the remainder to be paid thereafter in equal installments until the end of 2021.

46. SEGMENT REPORTING

The Group has applied “IFRS 8 Operating Segments” effective from January 1, 2009. According to IFRS 8, operating segments must be separately identified based on the Group’s internal management reporting. These internal segments are those that are regularly reviewed by the Group’s main decision-makers with regard to decisions about the distribution of resources to this segment and the assessment of its financial performance.

The Eckert & Ziegler Group has organized its activities into four operational reporting units. The individual segments offer different products and are also organizationally separated by the location. The applicable reporting principles of the individual segments are consistent with the reporting principles described in the summary of the fundamental accounting and valuation principles (note 3). The segment reporting is not consolidated. This corresponds to the information used by the Executive Board in its regular management reporting. Transactions between the segments are processed at market prices.

The Isotope Products segment manufactures and distributes standards and radiation sources for medical and industrial purposes. Standards are radioisotopes for calibration purposes. They are generally sold to scientific institutions. Industrial radiation sources are used in various measuring facilities for industrial systems and other measuring devices, such as safety equipment in airports. They are sold to the manufacturers or operators of systems. The medical radiation sources include radioactive sources for the calibration of gamma cameras. Since 2008, Eckert & Ziegler has also been supplying radiation sources used in oil exploration. The production sites for this segment are located in North America and Europe. Worldwide sales and distribution also takes place from these locations. Following the acquisition of Nuclitec, the largest competitor, at the start of 2009, Eckert & Ziegler has been the global market leader in many products and applications. In some cases, it is the only provider.

In 2009, the Environmental Services business area was still included in the Isotope Products segment. Beginning in fiscal year 2010, the key income statement figures of this business field are reported separately to the Group's main decision makers, making it a separate segment. The segment operates in the field of returning, processing and final storage preparation of low level radioactive waste. Its customer base includes in particular hospitals and other institutions where low level radioactive waste is generated. Furthermore, there is a project business offering services for the decontamination of systems and waste conditioning; in these cases, the radioactive substances remain the property of the customer.

The Radiation Therapy segment concentrates on product development, manufacturing, the market introduction and the sale of radioactive products for cancer therapy. A special focal point is prostate cancer treatment using radioactive iodine seeds. BEBIG's GmbH's merger with a former competitor, the Belgian IBt s.a., made Eckert & Ziegler the European market leader for prostate products. Another fundamental component of the segment is low- and high-dose rate radiotherapy devices. Iridium radiation sources complete the product range, which is mainly directed towards radiotherapists. Production takes place solely in Europe, while products are sold throughout the world.

The products of the Radiopharma segment, with sites in Berlin, Holzhausen, 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 for diagnostics and therapy in nuclear medicine and radiation therapy as well as in research. The Auriga business area was added with the acquisition of Nuclitec at the start of 2009. The most important products here include yttrium-90 as well as made-to-order production projects. While the sale of PET diagnostics is restricted to Central and Eastern Europe, synthesis modules and yttrium-90 are sold throughout the world. Made-to-order production takes place centrally in Braunschweig and accepts orders from all parts of the world.

SEGMENT REPORT

€ thousand	Isotope Products 2012	Isotope Products 2011	Radiation Therapy 2012	Radiation Therapy 2011	Radio-pharma 2012	Radio-pharma 2011	Environmental Services 2012	Environmental Services 2011	Others 2012	Others 2011	Eliminierung 2012	Eliminierung 2011	Total 2012	Total 2011
Sales to external customers	56,064	54,629	31,779	30,413	25,957	25,620	6,183	5,528	14	7	0	0	119,997	116,197
Sales to other segments	3,279	1,942	26	447	89	206	2,413	1,103	3,484	1,374	– 9,291	– 5,072	0	0
Total segment sales	**59,343**	**56,571**	**31,805**	**30,860**	**26,046**	**25,826**	**8,596**	**6,631**	**3,498**	**1,381**	**– 9,291**	**– 5,072**	**119,997**	**116,197**
Results from shares measured at equity			0	– 108									0	– 108
Segment profit before interest and income taxes (EBIT)	15,946	17,393	4,918	4,490	2,213	3,066	– 1,697	154	– 1,561	– 2,196	– 91	– 5	19,728	22,902
Interest income	275	151	278	107	139	18	58	145	1,104	1,300	– 1,328	– 1,501	526	220
Interest expenses	– 964	– 765	– 663	– 791	– 1,014	– 1,015	– 130	– 247	– 1,348	– 1,579	1,325	1,506	– 2,794	– 2,891
Income taxes	– 4,976	– 5,175	– 1,020	– 3,407	– 527	– 665	199	– 116	629	548	0	0	– 5,695	– 8,815
Profit / loss before minority interests	10,281	11,604	3,513	399	811	1,404	– 1,570	– 64	– 1,176	– 1,927	– 94	0	11,765	11,416

SEGMENT REPORT

€ thousand	Isotope Products 2012	Isotope Products 2011	Radiation Therapy 2012	Radiation Therapy 2011	Radio-pharma 2012	Radio-pharma 2011	Environmental Services 2012	Environmental Services 2011	Others 2012	Others 2011	Total 2012	Total 2011
Segment assets	97,341	77,561	49,623	47,405	26,336	25,592	–*	–*	101,158	100,552	274,458	251,110
Thereof participation value of shares measured at equity			0	0							0	0
Elimination of inter-segmental shares, equity investments and receivables											– 110,014	– 97,068
Consolidated total assets											**164,444**	**154,042**
Segment liabilities	– 49,232	– 37,011	– 17,768	– 19,051	– 23,895	– 23,963	–*	–*	– 13,637	– 17,187	– 104,532	– 97,212
Elimination of intersegment liabilities											27,058	24,739
Consolidated liabilities											– 77,474	– 72,473
Investments (without acquisitions)	2,782	5,863	2,405	1,546	3,517	144	–*	–*	1,501	1,520	10,205	9,073
Depreciation and amortization	– 2,315	– 2,185	– 2,648	– 2,934	– 1,961	– 1,817	– 512	– 384	– 311	– 191	– 7,747	– 7,511
Non-cash income / expenses	27	– 973	– 282	– 581	701	– 136	–*	–*	991	– 1,097	1,437	– 2,787

* *In 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 same manner in segment reporting.*

INTANGIBLE ASSETS & PROPERTY, FACILITIES AND EQUIPMENT ACCORDING TO REGIONS

€ thousand	**2012**	2011
Germany	47,185	46,627
USA	22,930	22,008
Belgium	3,249	3,894
Others	3,614	1,373
Total	**76,978**	**73,902**

EXTERNAL REVENUES ACCORDING TO GEOGRAPHICAL REGIONS

	2012		2011	
	€ million	%	€ million	%
Europe	69.6	58	69.0	59
North America	33.1	27	30.9	27
Asia / Pacific	13.1	11	12.1	10
Others	4.2	4	4.2	4
Total	**120.0**	**100**	**116.2**	**100**

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

Major customers

In the 2012 fiscal year, about € 7.5 million of the revenues in the Radiation Therapy segment (2011: Isotope Products: € 5.9 million) was attributable to one major customer (represents about 6 % of the consolidated revenues of the Group).

47. RELATED PARTIES AND COMPANIES

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

a) Members of the management in key positions
Executive Board
Dr. Andreas Eckert (Chairman of the Executive Board, responsible in 2012 for Group strategy, finance, capital market communications as well as for the Isotope Products and Environmental Services segments), Panketal, 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, responsible in 2012 for the Radiation Therapy segment), Grünheide / Mark, medical physicist
On other boards: member of the Board of Directors of Eckert & Ziegler Isotope Products Inc. (IPL), Valencia, USA; Managing 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 ZAO "NanoBrachyTech", Moscow, Russia

Dr. André Heß (member of the Executive Board, responsible in 2012 for Human Resources and 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 Group's Supervisory Board in the 2012 fiscal year were:

Prof. Dr. Wolfgang Maennig (Chairman), Berlin, university professor
On other supervisory boards: member of the Supervisory Board of GRETA AG, Hasloh

Prof. Dr. Nikolaus Fuchs, Berlin (Vice-Chairman). Managing Partner in Lexington Consulting GmbH and entrepreneur
On other supervisory boards: none

Hans-Jörg Hinke, Berlin, Managing Partner in CARISMA Wohnbauten GmbH, Berlin
On other supervisory boards: (until June 2012) member of the Board of Directors of Eckert & Ziegler BEBIG s.a., Seneffe, Belgium

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

Prof. Dr. Detlev Ganten, Berlin, Chairman of the Trustees of Charité Berlin, Chairman of the Trustees of the Max-Planck Institute für Kolloid- und Grenzflächenforschung (MPI-KG), Potsdam
On other supervisory boards: none

Dr. Fritz Oesterle, Stuttgart, attorney
On other supervisory boards: member of the Supervisory Board of Landesbank Baden-Württemberg, Stuttgart; member of the Supervisory Board of Untertürkheimer Volksbank e.G., Stuttgart

b) Other related companies and parties

- 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.

- Eckert Beteiligungen 2 GmbH (EB2), which is a wholly-owned subsidiary of Eckert Wagniskapital und Frühphasenfinanzierung GmbH.

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

The following transactions were carried out with these related parties and companies in 2011 and 2012:

In September 2012, Eckert & Ziegler AG concluded a loan and share option agreement with Eckert Wagniskapital und Frühphasenfinanzierung GmbH. This resulted in interest income of € 2 thousand for Eckert & Ziegler AG in the 2012 fiscal year. The value of the agreement at December 31, 2012 was € 1,500 thousand.

Eckert & Ziegler AG has concluded a general contractor agreement with Eckert Beteiligungen 2 GmbH to construct a new production and administration building in Berlin-Buch. Eckert & Ziegler AG was the general contractor for this purpose and received remuneration of € 6,696 thousand in the fiscal year for this activity (2011: € 2,278 thousand).

Dr. Andreas Eckert provided to Eckert & Ziegler Isotope Products Inc. a five-year loan of € 700 thousand at 6.5 % to partially finance the purchase price of the industrial source division of North American Scientific (NASM). At December 31, 2012, the loan including interest was fully repaid.

Mr. Schmidt granted a loan to the subsidiary Eckert & Ziegler f-con Deutschland GmbH. The interest rate on the loan is 7.5 %. As of December 31, 2012, the loan balance, including interest, amounted to € 40 thousand.

c) Joint ventures in which the Group is an investee

In June 2009, Eckert & Ziegler BEBIG s.a. contributed intangible assets to the joint venture ZAO "NanoBrachyTech" and received in return a 15 % interest in the joint venture company. Eckert & Ziegler BEBIG s.a. supplies low-level radioactive implants to OOO BEBIG, which is a wholly-owned subsidiary of the joint venture. The revenues with OOO BEBIG amounted to € 2,098 thousand in fiscal year 2012 (2011: € 2,411 thousand). As of December 31, 2012, the receivables due from OOO BEBIG amounted to € 2,394 thousand (2011: € 1,810 thousand).

In the 2009 fiscal year, Eckert & Ziegler BEBIG s.a. further concluded several contracts with the joint venture regarding the sale of product expertise (€ 2,749 thousand), exclusive distribution rights (€ 2,500 thousand) and, with the involvement of an external leasing company, a contract to manufacture a multi-part production system. This resulted in revenues from the fulfillment of the contractual obligations in the amount of € 2,549 thousand in the 2011 fiscal year. Prepayments received in the amount of € 2,749 thousand were attributable to the joint venture in 2011, while there were no transactions in connection with these contracts in 2012. As of December 31, 2012, the Group therefore has total prepayments received from the joint venture in the amount of € 200 thousand (2011: € 200 thousand).

As of December 31 of the 2012 and 2011 fiscal years, the balance of trade receivables, loan receivables, trade payables and loan liabilities in connection with parties and companies related to the Eckert & Ziegler Group are as follows:

€ thousand	**2012**	2011
Trade receivables due from related parties and companies	5,677	1,810
Loan liabilities owed to related parties and companies	40	280
Trade payables owed to joint venture companies	200	200

48. DISCLOSURES ON THE REMUNERATION OF BOARD MEMBERS

The Group's remuneration system for the compensation of board members is explained in the Remuneration Report.

Executive Board remuneration

In 2012, the members of the Executive Board received total remuneration of € 1,450 thousand (2011: € 1,429 thousand). This is an increase of 1.5 % compared to the prior year. € 720 thousand of this total remuneration is related to fixed components (2011: € 713 thousand) and € 730 thousand is attributable to variable components (2011: € 716 thousand).

The following remuneration (individualized disclosures) was paid to the individual members of the Executive Board:

€ thousand	Fixed components		Variable components	**Total**
Name	Fixed salary	Benefits in kind	Profit sharing/bonus	
Dr. Andreas Eckert	300 (2011: 300)	26 (2011: 26)	329 (2011: 375)	655 (2011: 701)
Dr. Edgar Löffler	186 (2011: 186)	30 (2011: 28)	251 (2011: 169)	467 (2011: 383)
Dr. André Heß	150 (2011: 147)	28 (2011: 26)	150 (2011: 172)	328 (2011: 345)

These amounts include all remuneration from companies of the Eckert & Ziegler Group.

A provision was established for a pension obligation to a former member of the Executive Board totaling € 410 thousand (2011: € 396 thousand, each calculation based on IFRS). In the 2012 fiscal year, pension payments were made to this former Executive Board member in the amount of € 32 thousand (2011: € 32 thousand).

Supervisory Board remuneration

In fiscal year 2012, members of the Supervisory Board received fixed remuneration totaling € 60 thousand (2011: € 45 thousand) and attendance fees in the amount of € 25 thousand (2011: € 22 thousand). This represents total expenses of € 85 thousand (2011: € 67 thousand).

The individual members of the Supervisory Board received the following remuneration:

€ thousand Name	Remunerated function	Fixed remuneration	Attendance fees	**Total**
Prof. Dr. Wolfgang Maennig	Chairman of the Supervisory Board	16 (2011: 12)	4 (2011: 3)	20 (2011: 15)
Prof. Dr. Nikolaus Fuchs	Deputy Chairman of the Supervisory Board	12 (2011: 9)	4 (2011: 4)	16 (2011: 13)
Hans-Jörg Hinke	Member of the Supervisory Board	8 (2011: 6)	4 (2011: 4)	12 (2011: 10)
Dr. Gudrun Erzgräber	Member of the Supervisory Board	8 (2011: 6)	4 (2011: 4)	12 (2011: 10)
Prof. Dr. Detlev Ganten	Member of the Supervisory Board	8 (2011: 6)	4 (2011: 4)	12 (2011: 10)
Dr. Fritz Oesterle	Member of the Supervisory Board	8 (2011: 0)	4 (2011: 0)	12 (2011: 0)

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, who received € 3 thousand in 2012, in addition to the above-mentioned amounts, for his activities on the Board of Directors of Eckert & Ziegler BEBIG s.a. (2011: € 6 thousand).

49. EVENTS AFTER THE REPORTING DATE

In January 2013, the Ministry for the Environment of the German state of Lower Saxony published a new fee schedule. The new schedule stipulates an increase in the fees for the acceptance of Konrad containers. Eckert & Ziegler expects this change will lead to a non-recurring adjustment to the provision for the disposal of old waste in the Environmental Services segment and, to a lesser extent, to an increase in the Group-wide provisions for the disposal of production systems. This effect on the provision in the Environmental Services segment, which is not specified further, is expected to be approximately € 1 million.

In February 2013, Eckert & Ziegler Isotope Products Holdings GmbH acquired all shares of Chemotrade Chemiehandelsgesellschaft mbH, Düsseldorf. The company is engaged in the import, export and trading of commodities, chemicals and chemical engineering products. The purchase price for the shares totaled € 490 thousand plus a conditional purchase price component that is calculated based on the increases in revenue and earnings during fiscal years 2014 until 2018. Due to the short time period between the acquisition and the publication of the consolidated financial statements, it is not yet possible to provide complete and reliable disclosures on the financial effects of the acquisition.

In March 2013, Eckert & Ziegler BEBIG s.a. reached an out-of-court settlement with Core Oncology, Inc., thereby resolving a legal dispute regarding the repayment of a loan granted to Core Oncology, Inc. Core Oncology Inc. has agreed to pay USD 1.7 million to Eckert & Ziegler BEBIG s.a. Eckert & Ziegler BEBIG s.a. had already written down the full amount of the loan receivable in the 2010 fiscal year.

Disclosures as per section 315a HGB

50. OTHER INCOME / EXPENSES

Other income / expenses include prior-period gains from the sale of fixed assets totaling € 25 thousand (2011: € 18 thousand) and prior-period losses from the sale of fixed assets totaling € 37 thousand (2011: € 13 thousand).

51. AUDIT FEES

Audit fees include the fee for the year-end financial audit of the 2012 annual and consolidated financial statements in the amount of € 185 thousand (2011: € 170 thousand). Fees for further audit services in 2012 totaled € 60 thousand (2011: € 0 thousand).

52. DECLARATION PERSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG) REGARDING COMPLIANCE WITH 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 in accordance with Section 161 of the German Stock Corporation Act (AktG). This compliance statement was made permanently available to shareholders via the company's website.

Berlin, March 26, 2013

Eckert & Ziegler Strahlen- und Medizintechnik AG
The Executive Board

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

Consolidated statement of changes in fixed assets

AS OF DECEMBER 31, 2012

€ thousand	Acquisition costs						
	As of Jan 1, 2012	Additions from company acquisitions	Other additions	Disposals	Reclassifi-cations	Currency tranionslat	**As of Dec 31, 2012**
NON-CURRENT ASSETS							
I. Intangible assets							
1. Goodwill	36,792	87	0	0	0	– 239	36,640
2. Acquired intangible assets	23,233	450	571	33	15	– 190	24,046
3. Internally generated intangible assets	6,066	0	1,553	0	0	– 4	7,615
4. Prepayments made	415	0	1,095	16	– 15	0	1,479
	66,507	**537**	**3,219**	**49**	**0**	**– 433**	**69,781**
II. Property, facilities and equipment							
1. Buildings on third-party land	13,457	7	1,679	94	554	– 137	15,466
2. Technical plant and machinery	39,889	747	1,631	1,713	67	– 223	40,397
3. Other plants and equipment, fixtures and fittings	10,129	3	938	359	– 144	– 26	10,541
4. Assets under construction	3,917	0	2,738	0	– 477	2	6,180
	67,392	**757**	**6,986**	**2,166**	**0**	**– 384**	**72,584**
	133,899	**1,294**	**10,205**	**2,215**	**0**	**– 817**	**142,365**

Depreciation and amortization							Net book value	
As of Jan 1, 2012	Additions	Impair-ments	Disposals	Reclassifi-cations	Currency translation	**As of Dec 31, 2012**	**As of Jan 1, 2012**	**As of Dec 31, 2012**
5,540	0	0	0	0	– 22	5,518	31,252	31,122
12,321	2,243	0	33	– 342	– 116	14,073	10,912	9,973
3,632	402	0	0	342	– 6	4,370	2,434	3,245
0	0	0	0	0	0	0	415	1,479
21,493	**2,645**	**0**	**33**	**0**	**– 144**	**23,961**	**45,014**	**45,819**
5,305	769	0	57	14	– 47	5,984	8,152	9,482
26,252	2,949	0	1,626	219	– 67	27,727	13,637	12,670
6,947	1,384	0	360	– 233	– 23	7,715	3,182	2,826
0	0	0	0	0	0	0	3,917	6,180
38,504	**5,102**	**0**	**2,043**	**0**	**– 137**	**41,426**	**28,889**	**31,158**
59,997	**7,747**	**0**	**2,076**	**0**	**– 281**	**65,387**	**73,902**	**76,978**

AS OF DECEMBER 31, 2011

€ thousand		Acquisition costs					
	As of Jan 1, 2011	Additions from company acquisitions	Other additions	Disposals	Reclassifi-cations	Currency tranionslat	As of Dec 31, 2011
NON-CURRENT ASSETS							
I. Intangible assets							
1. Goodwill	35,050	1,173	0	0	0	569	36,792
2. Acquired intangible 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. Prepayments made	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. Technical plant and machinery	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**

Depreciation and amortization							Net book value	
As of Jan 1, 2011	Additions	Impairments	Disposals	Reclassifications	Currency translation	As of Dec 31, 2011	As of Jan 1, 2011	As of Dec 31, 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**

Balance sheet oath

Assurance from the Executive Board pursuant to Section 315 (1) in conjunction with Section 297 (2) sentence 4 of the German Commercial Code (HGB)

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

Berlin, March 26, 2013

Eckert & Ziegler Strahlen- und Medizintechnik AG
The Executive Board

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

Independent auditor's report

We have audited the consolidated financial statements prepared by Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin – consisting of the consolidated balance sheet, the consolidated income statement and statement of comprehensive income, the consolidated notes, the consolidated cash flow statement, and the consolidated the statement of changes in equity – and the Group management report, for the fiscal year from January 1 to December 31, 2012. 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 Section 315a (1) of the German Commercial Code (HGB) are the responsibility of the parent company's Executive Board. Our responsibility is to express an opinion on the consolidated financial statements and the Group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (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, 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 primarily examined during the audit on a random test basis. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in the 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 Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin as at December 31, 2012 comply with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a (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 an accurate view of the Group's position and correctly presents the opportunities and risks of future development.

Berlin, March 26, 2013

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Scharpenberg Wirtschaftsprüfer (German public auditor)	Rietz Wirtschaftsprüfer (German public auditor)

Individual financial statements of the Eckert & Ziegler AG

INCOME STATEMENT FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2012

€ thousand	**2012**	2011
1. Revenues	3,499	1,381
2. Other operating income	6,800	2,762
	10,299	**4,143**
3. Staff costs		
a) Wages and salaries	– 2,462	– 1,712
b) Social security contributions and expenditure on pensions and old-age support	– 211	– 117
of which for pensions: € 0 thousand (previous year: € 0 thousand)		
	– 2,673	**– 1,829**
4. Depreciations on intangible assets of the fixed assets and property, facilities and equipment	– 333	– 278
5. Other operating expenses	– 9,208	– 4,788
6. Income from profit-transfer agreements	8,563	1,967
7. Income from holdings	0	3,004
of which from affiliates: € 0 thousand (previous year: € 3.004 thousand)		
8. Income from other securities and from loans included under long-term investments	606	753
of which from affiliates: € 606 thousand (previous year: € 753 thousand)		
9. Other interest receivable and similar income	498	553
10. Depreciations on long-term investments	0	– 5,323
11. Interest payable and similar expenses	– 991	– 874
12. **Net income / loss (–) from ordinary activities**	**6,761**	**– 2,672**
13. Taxes from income and revenue	– 323	0
14. Other taxes	– 46	0
15. **Shortfall for the year (previous year: profit for the year)**	**6,392**	**– 2,672**
16. Withdrawals from retained earnings	0	6,000
17. **Balance sheet profit**	**6,392**	**3,328**

BALANCE SHEET AS OF DECEMBER 31, 2012 AND 2011

€ thousand	Dec 31, 2012	Dec 31, 2011
Assets		
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	1,537	1,668
2. Advance payments made	1,478	398
	3,015	**2,066**
II. Property, facilities and equipment		
1. Real properties, rights equivalent to real property and buildings	589	592
2. Other facilities and equipment, fixtures and fittings	264	47
	853	**639**
III. Financial investments		
1. Shares in affiliates	64,269	64,056
2. Loans to affiliates	8,658	11,707
	72,927	75,763
	76,795	**78,468**
B. Current assets		
I. Receivables and other assets		
1. Trade receivables	0	4
2. Receivables due from affiliates	8,782	7,748
3. Other assets	3,580	1,438
	12,362	**9,190**
II. Securities		
1. Other securities	19	19
	19	**19**
III. Cash at banks	1,090	2,948
	13,471	**12,157**
C. Prepaid and deferred expenses	4	45
	90,270	**90,670**
Liabilities and Shareholders' Equity		
A. Holders' equity		
I. Subscribed capital	5,288	5,288
Nominal amount of the contingent capital: € 1,875 thousand (previous year: € 1,875 thousand) minus nominal amount of own shares: € 5 thousand (previous year: € 5 thousand)		
II. Capital reserves	51,395	51,395
III. Retained earnings		
1. Other retained earnings: € 22 thousand (previous year: € 22 thousand)	13,781	13,627
IV. Balance sheet profit	6,392	3,328
	76,856	**73,638**
B. Special reserves for contributions to fixed assets	**223**	**247**
C. Provisions		
1. Provisions for pensions and similar obligations	382	387
2. Other provisions	2,159	1,878
	2,541	**2,265**
D. Liabilities		
1. Liabilities towards banks	8,820	12,468
2. Trade liabilities	460	127
3. Liabilities towards affiliates	1,300	1,785
4. Other liabilities	70	140
(of which for taxes: € 68 thousand; previous year: € 125 thousand)		
(of which for social security: € 3 thousand; previous year: € 1 thousand)		
	10,650	**14,520**
	90,270	**90,670**

ENVIRONMENTAL SERVICES

Low-level radioactive waste from clinics

A large number of syringes, needles, gloves, and the like are used every day in nuclear medicine clinics. They must be disposed of properly after use. Eckert & Ziegler is one of the few companies with authorization to collect and transport low-level radioactive waste within Germany. The contaminated hospital waste is regularly collected by our expert staff, accurately inventoried according to an ISO certification process, sorted, measured, and packaged. Most of the processed radioactive waste is put into decay storage until the radiation activity drops to a suitable level, after which it can be disposed of conventionally. Only a small proportion of waste from clinics is sent for final disposal.

80 days

length of time used packaging material of iodine-131 capsules must remain in decay storage before it can be disposed of as conventional waste

Glossary

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

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

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

Calibration Referencing of measuring instruments to specified standards

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

Conditioning here: Processing 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

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

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

Implantation Placement or insertion of foreign materials into an organism

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

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

Modular Lab Synthesis device for the production of radioactive diagnostics

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

Palliative Palliative care is an area of healthcare that focuses on relieving and preventing the suffering of patients. Often these measures are for incurable diseases, to slow the course or reduce their side effects

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

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

Raw isotope Radioactive starting substance for producing radiation sources

Seed Small metal pins containing radioisotopes for interstitial radiation therapy

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

May 3, 2013	Quarterly Report I / 2013
May 6, 2013	Deutsche Börse Spring Conference in Frankfurt
May 17, 2013	Anual General Meeting
August 15, 2013	Quarterly Report II / 2013
November 8, 2013	Quarterly Report III / 2013
November 2013	German Equity Forum in Frankfurt

Contact

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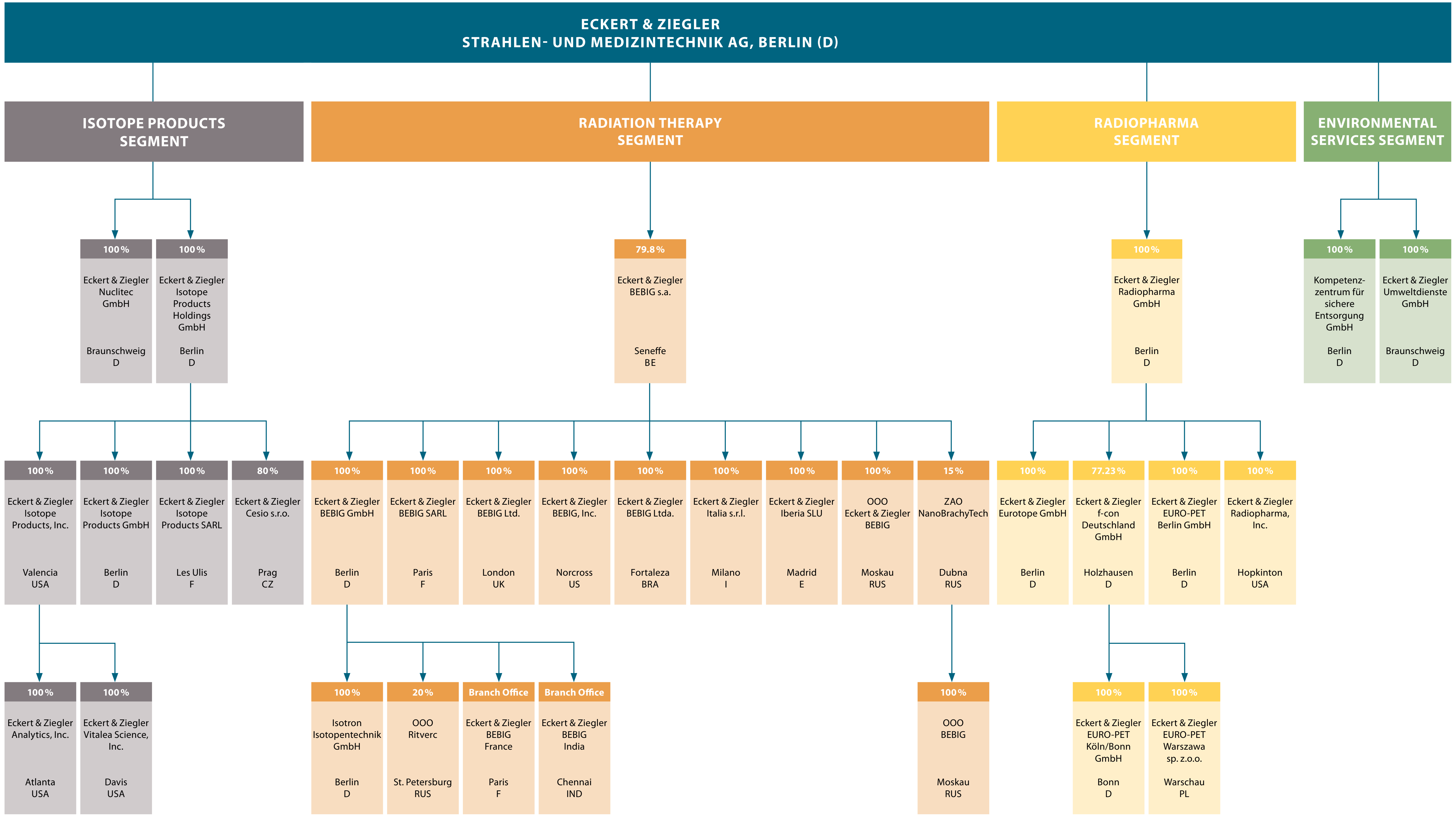
KEY DATA ECKERT & ZIEGLER

		2012	2011	2010	2009	2008
Sales and Earnings						
Sales	€ thousand	119,997	116,197	111,093	101,399	71,612
EBITDA	€ thousand	27,475	30,412	26,413	27,943	18,619
Depreciations	€ thousand	– 7,747	– 7,511	– 9,842	– 11,525	– 9,150
EBIT	€ thousand	19,728	22,901	16,571	16,418	9,469
EBIT w / o one-off effects	€ thousand	19,728	22,901	16,571	14,589	6,939
EBIT margin w / o one-off effects	%	16 %	20 %	15 %	14 %	10 %
Net profit for the year after taxes and minorities	€ thousand	10,293	10,418	9,413	13,250	4,502
Earnings per share w/o one-off effects	€	1.95	1.98	1.81	1.97	1.10
Cash Flow						
Cash flow from operating activities	€ thousand	16,574	20,159	15,025	22,112	8,592
Liquid assets as of December 31	€ thousand	30,842	32,304	29,216	43,674	7,311
Balance						
Shareholders' equity	€ thousand	86,970	80,896	73,605	86,075	42,820
Total assets	€ thousand	164,444	154,353	144,467	161,320	98,798
Equity ratio	%	53 %	52 %	51 %	53 %	43 %
Net liquidity (liquidity minus debts)	€ thousand	15,396	14,315	7,413	23,599	– 11,201
Employees						
Average number of employees*	People	573	538	512	500	395
Number of employees as of December 31	People	611	573	546	526	404
Key figures share						
Average number of shares in circulation	Item in thousand	5,288	5,274	5,194	3,783	3,143
Book value per share	€	15.27	14.23	12.98	14.55	12.68
Dividend	€	0.60**	0.60	0.60	0.45	0.30

** without Executive Board, general managers, freelancer*

*** Dividend to be proposed to the Annual General Meeting by the Group on May 17, 2013*

Corporate structure (December 31, 2012)



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