Annual Report 2014

Supporting health care everywhere

Eckert & Ziegler

Contributing to saving lives

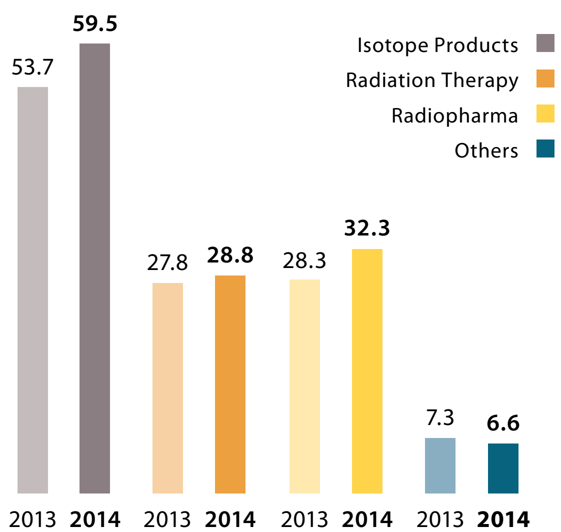
KEY DATA ECKERT & ZIEGLER

		Change	2013	2014
Sales and Earnings				
Sales	€ thousand	+ 9 %	117,138	127,256
EBITDA	€ thousand	– 6 %	21,332	20,099
Depreciations	€ thousand	– 22 %	9,187	7,143
EBIT	€ thousand	+ 7 %	12,145	12,956
EBIT margin	%	– 2 %	10 %	10 %
Tax rate	%	+ 202 %	15 %	45 %
Net profit for the year after taxes and minorities	€ thousand	– 25 %	9,035	6,775
Earnings per share w/o one-off effects	Euro	– 25 %	1.71	1.28
Cash Flow				
Cash flow from operating activities	€ thousand	– 27 %	14,675	10,653
Liquid assets as of 31 December	€ thousand	– 26 %	29,414	21,824
Balance				
Shareholders' equity	€ thousand	+ 5 %	90,265	94,490
Total assets	€ thousand	+ 5 %	178,407	187,329
Equity ratio	%	– 0 %	51 %	50 %
Net liquidity (liquidity minus debts)	€ thousand	– 54 %	6,787	3,119
Employees				
Average number of employees*	People	+ 10 %	613	674
Number of employees as of 31 December	People	+ 4 %	686	711
Key figures share				
Average number of shares in circulation	Item in thousand	–	5,288	5,288
Book value per share	Euro	+ 6 %	15.79	16.76
Dividend	Euro	–	0.60	0.60**

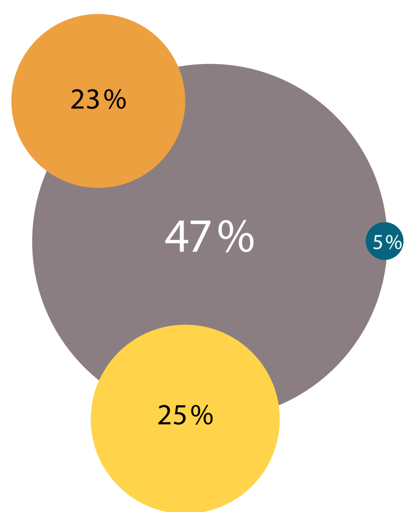
** without executive boards, general managers, freelancer*

*** Dividend to be proposed to the Annual General Meeting by the Group on June 3, 2015*

SALES TRENDS IN INDIVIDUAL SEGMENTS (IN € MILLION)



SALES BY SEGMENTS 2013 (IN %)



Content

We have used the traditional plural form in our Annual Report when referring to men, women and others to streamline the language used and facilitate reading. It goes without saying that everyone is included.

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.

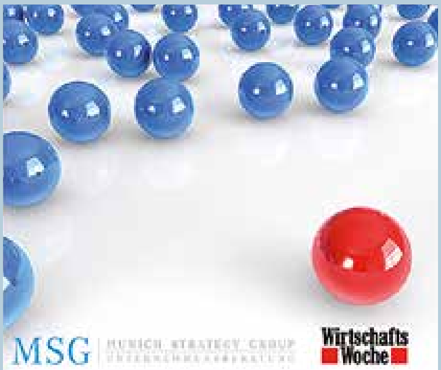
The year 2014 in review

ACQUISITION OF BRAZILIAN ISOTOPE SPECIALISTS

Eckert & Ziegler acquired the Isotope business unit of REM Indústria e Comércio Ltda. (REM), based in São Paulo, Brazil. The company specializes in importing isotope technology to Brazil and is one of the leading providers of nuclear medical components in South America.

VISIT BY DELEGATION

The President of the Association of German Chambers of Industry and Commerce, Eric Schweitzer, Berlin's Senator of Finance, Ulrich Nußbaum, and the SPD parliamentary leader in Berlin, Raed Saleh, visit Eckert & Ziegler at the Company headquarters in Berlin-Buch to learn more about the work of the medical technology specialists.



AWARD

Eckert & Ziegler is awarded sixth place among the 50 most innovative SMEs in Germany by the Munich Strategy Group. The survey conducted in cooperation with business magazine "Wirtschaftswoche" is based on around 3,000 German companies with sales of between € 10 million and around € 1 billion.

ORPHAN DRUG STATUS

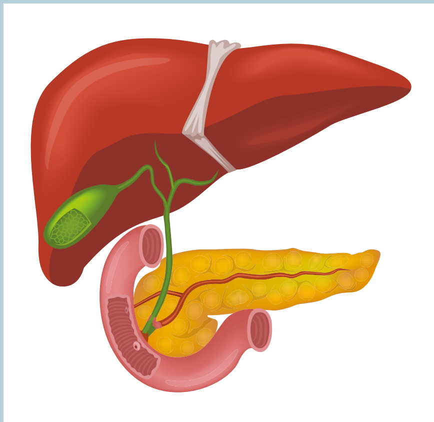
SOMscan® a peptide for detecting neuroendocrine tumours, has been awarded the coveted and financially rewarding orphan drug status by the European Medicines Agency EMA.

GALLIUM-68 GENERATOR RECEIVES APPROVAL

The pharmaceutical $^{68}Ge/^{68}Ga$ generator has received approval from the Federal Institute for Drugs and Medical Devices (BfArM) for the German market. It is the world's first, approved radionuclide generator to use a radionuclide for positron emission tomography (PET) in the diagnosis of cancer.

CONTRACT MANUFACTURER FOR NEW TYPE OF MEDICINE TO FIGHT PANCREATIC CANCER

Eckert & Ziegler is engaging with a USA based biotech company to become a contract manufacturer for a new type of cancer treatment. The cooperation enfolds a brand-new radiotherapy product, currently in development, aimed at treating pancreatic cancer by means of radioimmunotherapy.



CANCER IRRADIATION SYSTEMS INSTALLED IN ETHIOPIA

For the first time, a system designed to provide radiation in treating gynecological tumors with brachytherapy sources has been installed in a hospital in Addis Ababa as part of a United Nations aid program for expanding health care in Africa.

AWARDS FOR PROMISING YOUNG SCIENTISTS

Eckert & Ziegler travel grants are awarded for the seventh time to outstanding young scientists in the field of nuclear medicine at the annual congress of the European Association of Nuclear Medicine (EANM) in Gothenburg, Sweden.

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

Letter to the Shareholders

Dear Shareholder,

The famous quote by military theorist Carl von Clausewitz, that no plan survives first contact with the enemy, is a fitting epithet for the past fiscal year. In view of our two acquisitions in the Therapy segment, we were confident in our prediction at the end of 2013 that the Group would finally leave behind the level of sales it appeared to be stuck at for a period of several years over the course of 2014. A leap in sales to figures upwards of € 140 million seemed plausible and achievable, with new record income on the horizon. The acquisition of new US companies, plus a little “normality” in the other segments, was thought to be sufficient in 2014 to match or even exceed the successful figures of prior years.

However, the plan only materialized to a limited extent. Environmental Services and the holding company did, in fact, not suffer from any one-off effects in 2014. They developed as planned and increased in value by an enormous € 0.45 per share. The Radiopharma segment saw its annual profit halve to € 0.11 per share, however on balance the € 0.09 decline year on year did not play a major role in the overall picture. In the important Industry segment, in which the lion’s share of income is generated, we succeeded in boosting earnings per share by € 0.10 to € 1.82 thanks to unscheduled high sales growth.

The killer blow came from another area of our business. In the Therapy segment, we generated earnings of € 0.45 per share in the prior year, and even though a great deal of our success in 2013 was due to favorable one-off effects, we did not anticipate that this profit would turn into a loss of the same scale by the end of 2014. Suddenly, we had lost almost one euro on our annual profit or loss (€ 0.91), which we had more or less considered “a given” at the start of the year. In total, we only came to € 1.28 per share, not even within touching distance of the magic € 2.00 per share barrier that we had actually intended to breach.

The Ukraine crisis gave us the greatest shock. In terms of demand and tender processes, no dramatic changes were evident at the start of the year. However, when activating tender offers into orders and advance payments, it soon became clear that major former Soviet states were much more closely aligned to Moscow and the ruble than expected. Traders across the entire region suddenly found it difficult to secure financing for orders, while budget concepts were overhauled due to the currency’s decline and orders were ultimately cancelled. There was noticeable stagnation in the market. Given that Eckert & Ziegler AG has historically supplied up to one-third of its tumor irradiation systems to CIS states, the decline in sales in this region took its toll on sales throughout the segment. Sluggish sales of tumor irradiation equipment to the Middle East, where the Syrian conflict also made its presence felt, was the icing on the cake. What’s more, newly purchased US businesses fell some way short of our expectations. By the end of the year, the segment was some 20 % down on its planned sales.

» … the segment management reached a major **milestone** in terms of entry into the US market, obtaining market clearance …

This unexpected decline in sales put the spotlight on some of the vulnerabilities in the Therapy segment that had been lost sight of over the past few years due to growth in the sales of irradiation equipment and positive one-off effects. Encouraged by constant sales growth in irradiation equipment, the segment invested heavily over the past few quarters in new sales structures and, in doing so, expanded overheads to almost two-thirds of the entire cost base. Personnel structures experienced disproportionately high growth. Stricter regulations in the approval of medical products, as well as a lack of efficiency in operating processes, simply exacerbated the situation. Once lucrative irradiation equipment sales failed to meet expectations and were unable to be compensated for by positive one-off effects, earnings immediately nosedived.

One figure that perfectly illustrates the problem is average sales productivity per employee. In 2014, this figure fell by € 30,000 from an already low € 180,000 in the prior year to € 150,000. For an international medical technology manufacturer, it is simply far too low.

The management will have to boost segment sales to reinstate the company's competitive position in the coming quarters. In spite of the ongoing political crises around the world, the future is bright. In April, segment management reached a major milestone in terms of entry into the US market, obtaining market clearance from US health authorities for the new SagiNova® tumor irradiation equipment. The segment is now free to target the huge, untapped US market – a little later than planned, but certainly not too late. The new equipment will also create new impulses for other regions, such as Latin America.

… from US health authorities for the new
SagiNova® tumor irradiation equipment. «

Dr. Andreas Eckert (Chairman of the Executive Board)

Achieving flexibility in terms of the cost base will continue to be unavoidable. This is the only way to prevent declines in sales from having a disproportionately high impact on the earnings situation. This aspect was considered less important in the past. Sales per quarter in traditional implant business did not vary as much as sales per quarter of cancer radiation systems, which was a result of the stability of the respective sales markets – Europe for implant business, emerging markets for cancer radiation systems. The mission to increase the global orientation of the segment will see the dependency on political developments also rise. The change in business model therefore makes a more flexible cost base absolutely essential.

There are challenges ahead of us. However, we are confident of overcoming these and would be delighted if you could accompany us on this journey. Let's shape the future of Eckert & Ziegler together.

Sincerely,

DR. ANDREAS ECKERT
Chairman of the Executive Board of Eckert & Ziegler AG

Group Executive Committee

1

2

3

4

5

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

Member of the Group Executive Committee | Others Segment

Dr. Mann holds an MBA and a Ph. D. in physics. 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. Since fiscal year 2014, Environmental Services is no longer a separate segment but is managed as a cost center in the holding and recognized under the Others segment.

5 | Frank Yeager

Member of the Group Executive Committee | 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.

Report of the Supervisory Board

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

Dear shareholders,

In fiscal year 2014, 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 about corporate planning, business performance, and strategic progress, as well as the Group's current situation. The Chairman of the Executive Board also regularly informed the Chairman of the Supervisory Board outside the Supervisory Board's meetings about current developments and significant business transactions. Moreover, the Chairman of the Supervisory Board and the Chairman of the Executive Board liaised on a regular basis on issues related to strategy, planning, general business development, the risk situation, risk management and compliance.

A total of five Supervisory Board meetings took place during the period under review. If necessary, the Supervisory Board also issued authorizations by written procedure. Resolutions of fundamental importance are either passed on the basis of relevant documentation or after direct discussions with the Executive Board. There were no committees of the Supervisory Board during the period under review.

With the exception of one member who was only able to attend two meetings personally, all members of the Supervisory Board took part in all of the meetings. On average, all members of the Supervisory Board attended 91 % of the meetings.

FOCUSES OF SUPERVISORY BOARD MEETINGS

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

In the meeting on January 28, 2014, the Executive Board mainly informed the Supervisory Board about the preliminary key figures for fiscal year 2013 as well as the strategic orientation of the Group and the potential acquisition of the Isotope business unit of Brazil's REM Indústria e Comércio Ltda. On March 25, 2014, the Supervisory Board approved this acquisition by Eckert & Ziegler Isotope Products in a written decision-making procedure.

The audit of the annual financial statements and the management reports for the Group and the company were the main topics of the meeting on March 25, 2014. The company's risk report, which describes the key risk positions and the Group's risk management, was also presented and discussed during this meeting.

At the meeting on May 22, 2014, the main focus was the business figures for the first quarter of 2014 and preparations for the annual general meeting. In addition, Prof. Dr. Nikolaus Fuchs was reelected as Vice-Chairman of the Supervisory Board following the annual general meeting.

At the Supervisory Board meeting on August 4, 2014, the financial commitment at OctreoPharm Sciences GmbH was discussed together with the business figures for the second quarter 2014. The focus of the meeting on October 17, 2014 was the presentation and approval of the budget for fiscal year 2015 as well as the presentation of the business figures for the third quarter of 2014. Another issue was the business restructuring of Eckert & Ziegler Nuclitec GmbH.

CORPORATE GOVERNANCE PRINCIPLES

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 June 24, 2014. On December 3, 2014, 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. In order to increase the efficiency of the Supervisory Board, it assigned the task of revising documents to the Executive Board in several cases.

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

AUDIT OF THE ANNUAL FINANCIAL REPORT 2014

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 2014, BDO AG 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 trans-actions listed in the report were not inappropriately high.

The annual financial statements, including the affiliated company report and the auditor's audit report, were submitted to the Supervisory Board. A representative of the auditor took part in the Supervisory Board's balance-sheet meeting on March 17, 2015 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 IN THE SUPERVISORY BOARD

The annual general meeting on May 22, 2014 appointed Prof. Dr. Nikolaus Fuchs and Prof. Dr. Detlev Ganten as Members of the Supervisory Board for a further term.

In the Supervisory Board meeting on May 22, 2014, Prof. Dr. Fuchs was subsequently elected Vice-Chairman of the Supervisory Board. Prof. Dr. Helmut Grothe was appointed as a new member of the Supervisory Board effective as of August 1, 2014. He followed Dr. Fritz Oesterle, who voluntarily resigned from the Supervisory Board effective as of July 31, 2014. 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 all 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 2014. Our special thanks go out to Dr. Oesterle for his commitment and dedication to the Supervisory Board.

Berlin, March 2015
For the Supervisory Board

PROF. DR. WOLFGANG MAENNIG
Chairman of the Supervisory Board

* SALES BY REGIONS

America
€ 45
million*

NORTH-/SOUTH AMERICA

1 San Francisco, California, USA
2 Los Angeles, California, USA
3 Atlanta, Georgia, USA
4 Mount Vernon, New York, USA
5 Oxford, Connecticut, USA
6 Hopkinton, Massachusetts, USA
7 Fortaleza, Brazil
8 São Paulo, Brazil

production site
distribution site

MAGAZINE

SUPPORTING HEALTH CARE EVERYWHERE

Eckert & Ziegler's products help patients around the world in the diagnosis and therapy of cancer and other diseases.

EUROPE

9 Madrid, Spain
10 Didcot, Great Britain
11 Seneffe, Belgium
12 Paris, France
13 Bonn, Germany
14 Holzhausen, Germany
15 Braunschweig, Germany
16 Berlin, Germany (Headquarters)
17 Milan, Italy
18 Prague, Czech Republic
19 Vienna, Austria
20 Warsaw, Poland

ASIA AND REST OF WORLD

21 Moscow, Russia
22 New Delhi, India

HELPING COUNTERACT A TRAGIC CONSEQUENCE OF WAR: LIVER CANCER

Vietnam
Latitude 08° – 23° north
Longitude 102° – 109° east

The rate of people who contract liver cancer in Vietnam is five times higher than in Germany. The devastating numbers are due to the use of chemical weapons during the Vietnam War. Using selective internal radiotherapy (SIRT), it is possible to fight the tumor from the inside.

Selective internal radiotherapy (SIRT) is a palliative treatment option in which yttrium-90 resin microspheres are injected into a patient's hepatic artery. From there, they make their way directly to the diseased tissue where the radiation acts on the tumor. The limited radiation range spares the surrounding healthy liver tissue. Eckert & Ziegler manufactures yttrium-90 at its plant in Braunschweig, Germany and sends it to production centers worldwide, where it is paired with the active biological agent and delivered to radiological and nuclear medical clinics.

Yttrium-90 is used worldwide in palliative medicine.

RADIOPHARMA
SEGMENT

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

NUMBER OF PERSONS PER YEAR WHO CONTRACT LIVER CANCER
(per 100,000 inhabitants; age-standardized)

5 IN GERMANY

25 IN VIETNAM

10 WORLDWIDE

Source: Globocan 2012

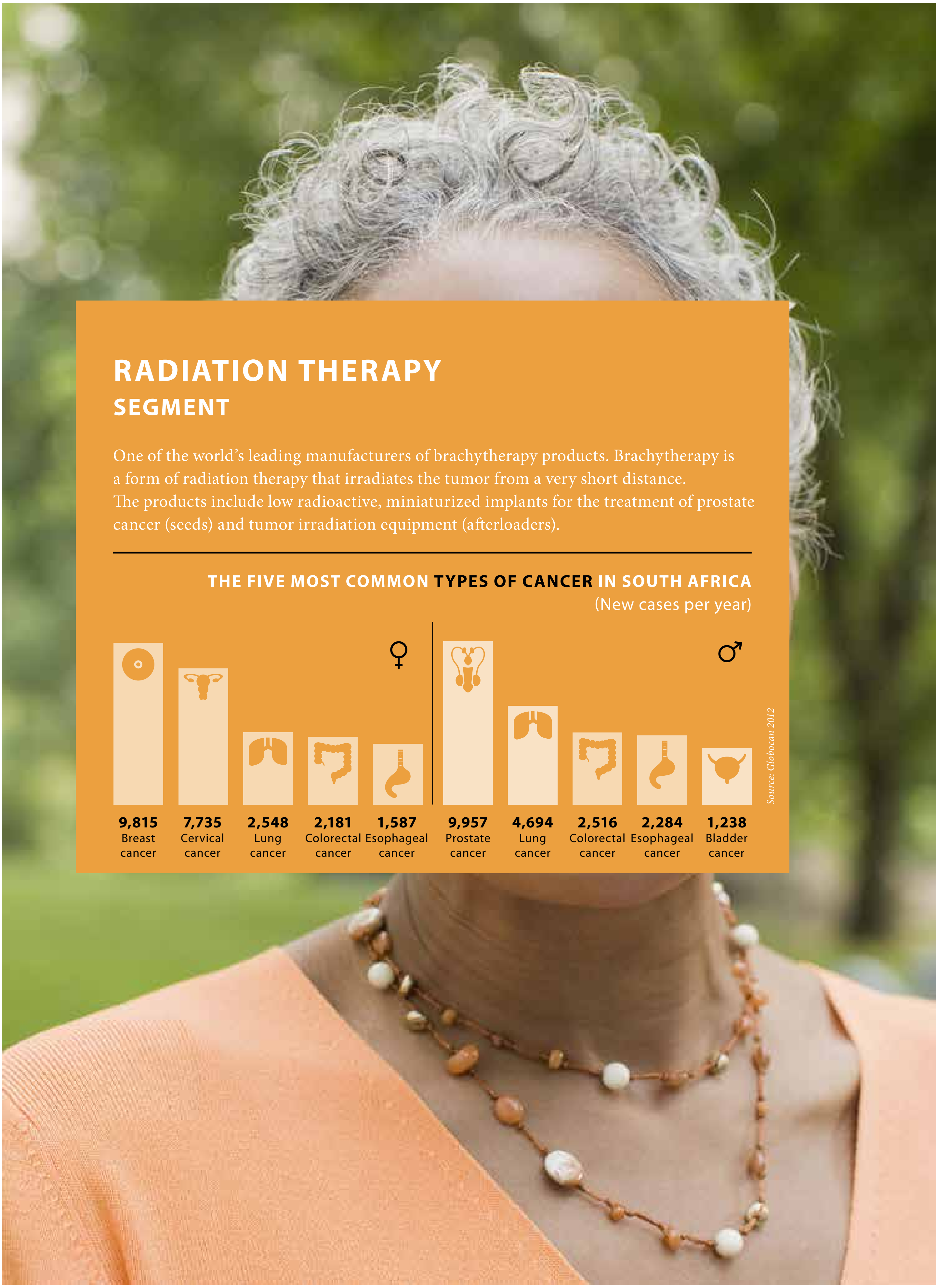
GYNECOLOGICAL DISORDERS: LONG-LASTING THERAPY

South Africa
Latitude 22° – 35° south
Longitude 17° – 33° east

In South Africa breast cancer and cervical cancer are among the types of cancer that most commonly affect women. They can be treated with brachytherapy, in which a miniaturized radiation source is placed directly at the site of the cancer cells, largely sparing healthy tissue.

Temporary brachytherapy entails the placement of cylinders, tubes or hollow needles into the tumor. A miniaturized radiation source is then put remotely into these containers for a short time and removed at the end of the treatment. The tumor irradiation device used for this offers a wide range of applications, allowing for the treatment of various types of cancer, such as prostate, lung, colorectal, esophageal and bladder cancer. Eckert & Ziegler uses unrivaled cobalt technology for its MultiSource® tumor irradiation equipment. The cobalt-60 source has a long half-life and therefore only needs to be replaced approximately every five years. Customers across the globe are benefiting more and more from this logistical and financial advantage.

MultiSource®
tumor irradiation equipment



RADIATION THERAPY
SEGMENT

One of the world's leading manufacturers of brachytherapy products. Brachytherapy is a form of radiation therapy that irradiates the tumor from a very short distance. The products include low radioactive, miniaturized implants for the treatment of prostate cancer (seeds) and tumor irradiation equipment (afterloaders).

THE FIVE MOST COMMON TYPES OF CANCER IN SOUTH AFRICA
(New cases per year)

♀		♂	
9,815	Breast cancer	9,957	Prostate cancer
7,735	Cervical cancer	4,694	Lung cancer
2,548	Lung cancer	2,516	Colorectal cancer
2,181	Colorectal cancer	2,284	Esophageal cancer
1,587	Esophageal cancer	1,238	Bladder cancer

Source: Globocan 2012

EARLY DETECTION OF HEART DISEASE

Brazil
Latitude 05° north – 34° south
Longitude 35° – 74° west

Cardiovascular diseases are some of the most common causes of death in Brazil. An early diagnosis is therefore often lifesaving. Medical examinations using nuclear technology make it possible to see pathological changes to vital organs.

Cardiac scintigraphy is an imaging method in nuclear medicine in which a contrast medium is injected into a patient. The contrast medium makes its way in the bloodstream to the myocardium, where radiopharmacon enrichment occurs for a short period. The use of a gamma camera enables the doctor to see the radiation on a screen and identify any pathological changes. To ensure that the gamma camera furnishes images with the utmost precision, it is necessary to perform a quality check of the device every day. With Perflexion™, Eckert & Ziegler provides an easy-to-use tool. The flexible cobalt-57 flood source can be rolled up, is extremely lightweight and can be easily packed into a handy storage cylinder. In fiscal year 2014, Eckert & Ziegler acquired the leading South American provider of components for nuclear medicine.

Perflexion™: radiation source for calibrating diagnostics cameras used in nuclear medicine

ISOTOPE PRODUCTS
SEGMENT

One of the world's leading manufacturers of radiation sources for nuclear imaging, measurement technology, analysis, quality assurance and environmental monitoring. The portfolio extends from calibration sources for PET cameras in hospitals to radiation sources for radiometric level measurements.

2013	2014
1,395,000	1,500,000

Number of myocardial scintigraphy procedures in Brazil

2013	2014
570	600

Number of gamma cameras in Brazil

Source: SBMN – Sociedade Brasileira de Medicina Nuclear / SUS – Sistema Único de Saúde

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
59.6 %

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

IR CONTACT

Karolin Riehle
Robert-Rössle-Straße 10
13125 Berlin, Germany

Phone +49 30 941084-138
Fax +49 30 941084-112
karolin.riehle@ezag.de
www.ezag.de

KEY DATA

		Dec 31, 2013	Dec 31, 2014	in %
Closing price for the financial year *	€	28.65	18.98	– 34
Highest price for the financial year *	€	30.00	30.50	2
Lowest price for the financial year *	€	23.52	18.75	– 20
Price-Earnings Ratio (PER)		17	15	– 12
Earnings per share (EPS)	€	1.71	1.28	– 25
Cashflow per share	€	2.78	3.13	13
Book value per share	€	15.79	16.76	6
Average shares in circulation	shares	5,288,165	5,288,165	0
Number of shares outstanding as of the reporting date	shares	5,288,165	5,288,165	0
Market capitalization	€ million	152	100	– 34
Average trading volume per day	shares	7,431	5,902	– 21

** Xetra*

Development of the share

Global stock markets continued to undergo volatile developments in 2014, closing out the period under review in several regions with strong rallies. They benefited collectively from the continued provision of liquidity by central banks and persistently low interest rates. The Eckert & Ziegler share also performed well in this market environment until mid-January, when it peaked at € 30.50 on January 17, 2014. Following the publication of the preliminary annual figures for fiscal year 2013 and an expected decrease in profits, the stock underwent a correction. It rallied initially after the announcement of the positive Q1 results, but then trended sideways in the further course of the year. In the third quarter, the capital market rewarded the acceptance of the bid for producing a medication against pancreatic cancer with slight share price gains. Following the announcement of the moderate Q3 figures and outlook for the year, the share continued trending sideways and reached a year-low of € 18.75 on December 22, 2014. At the end of the fiscal year, the stock closed at € 18.98, which amounts to a 34 % decrease in value. The trading volume at the end of the fiscal year amounted to a daily average of 5,902 shares (prior year: 7,431).

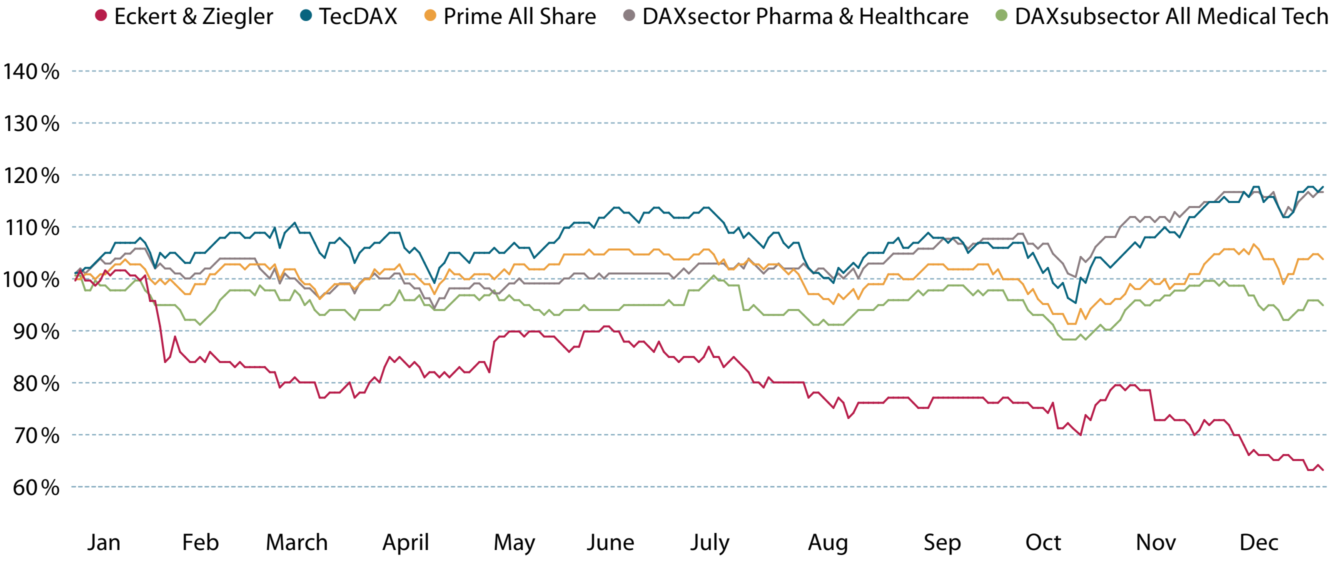
Earnings per share of € 1.28

In the period under review, the Eckert & Ziegler Group generated consolidated earnings per share of € 1.28. 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 ongoing 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 June 3, 2015 a dividend of € 0.60 per share for fiscal year 2014. Based on the annual closing price of € 18.98, this works out at a dividend yield of 3.16 %. In comparison, the average dividend yield of the seven TecDAX stocks that cover the health care sector stands at just 1.5 %.

DYNAMIC PERFORMANCE OF THE ECKERT & ZIEGLER SHARE IN 2014 (INDEXED AT 100)



Analyst recommendations

Hauck & Aufhäuser, DZ Bank and WGZ Bank regularly report on Eckert & Ziegler. In the period under review, these institutions published a total of 18 studies and brief analyses on Eckert & Ziegler.

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 1 to 7.

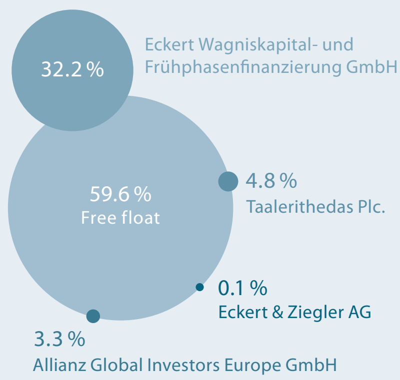
Investor Relations

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 stock exchange and press releases, quarterly reports, interviews, and conference calls.

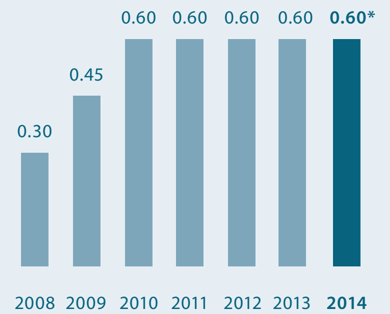
At the analyst conference held in March, the DVFA spring conference in May, the Annual General Meeting in May, the Equity Forum in November, and several investor rounds in Frankfurt and Amsterdam, the Executive Board also presented information regarding new developments and, in cooperation with the employees 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.de > Investor Relations*.

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

SHAREHOLDERS' STRUCTURE AS OF DEC 31, 2014



DIVIDENDS PAID BY ECKERT & ZIEGLER AG in Euro



** Proposal to the Annual General Meeting on June 3, 2015*

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 7 per 1,000 full-time employees (prior year: 5) – was significantly below comparable values for 2013 of approximately 19 workrelated accidents per 1,000 full-time employees in Germany, according to the 2013 annual report of the Employers' Liability Insurance Association for Electrical Engineering, Textiles and Precision Mechanics (Berufsgenossenschaft Energie Textil Feinmechanik). The comparable value according to the 2013 annual report of the Employers' Liability Insurance Association for Raw Materials and Chemical Industry (Berufsgenossenschaft Rohstoffe und chemische Industrie) was around 18. The year under review saw no radiological incidents (prior year: 0) 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 safetyrelevant. 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.

WORK-RELATED ACCIDENTS AND RADIOLOGICAL INCIDENTS

	2008	2009	2010	2011	2012	2013	2014
Work-related accidents (in absolute values)							
Reported work-related accidents	6	3	3	5	4	3	**5**
Reported accidents en route to work	2	5	1	6	5	4	**2**
Reportable work-related accidents (per 1,000 employees)							
Reported work-related accidents	11.8	5.9	5.9	9.1	6.7	5.2	**7.0**
Reported accidents en route to work	3.9	9.8	1.9	10.9	8.4	6.9	**2.8**
Radiation protection							
Radiological incidents *	1	2	0	3	2	0	**0**

** Radiological incidents = reportable events in compliance with radiation protection regulations or specific conditions set forth by the respective authorizations. 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.*

Protecting our employees from work-related dangers has top priority at Eckert & Ziegler.

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; DIN EN ISO 13485:2012; CMDCAS; FDA; PAL 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^{2}a 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.

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" project (*www.forschergarten.de*) in cooperation with the Life Science Learning Lab Gläsernes Labor in Berlin-Buch 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 schools, reduce their fear of the unknown and enhance the quality of education during early childhood. The response to the initiative, which now includes over 100 kindergartens and schools in the Berlin region, has been extremely positive. Almost 22,000 children took part in the initiative in 2014. Due to popular demand, the course range has been enhanced and now includes physics classes. Under the motto "Atoms you can touch," courses have been offered since 2013 that aim 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 everyday objects such as building materials, cigarette ash or fertilizer using a Geiger counter, and gain an insight into the use of radiation in medicine. These courses have become so popular that the number of participants more than doubled within a single year. Almost 1,200 young people benefited from this educational program in 2014.

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

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

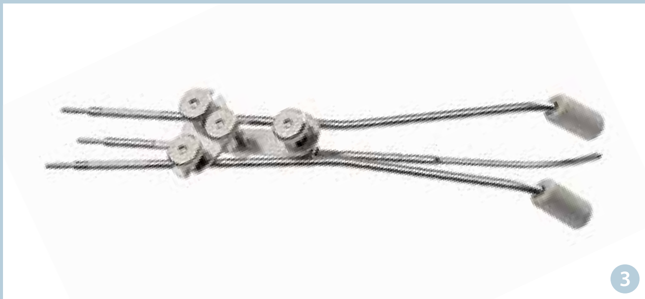
Since 2011, Eckert & Ziegler has supported the initiative **"Bucher Füchse"** (Buch foxes), a local environmental education project that enables elementary school students in Berlin to undertake scientific explorations in woods and fields. A nature educator accompanies the children on their expeditions through flora and fauna and explains natural phenomena. Which animals live in the soil? What kind of natural habitat are meadows? How clean are our streams? In this way, the children experience nature up close with magnifying glasses, nets, and tweezers and are encouraged to think about the natural world.

In cooperation with the European Association of Nuclear Medicine (EANM), Eckert & Ziegler has been rewarding young scientists in nuclear medicine with the "Eckert & Ziegler Abstract Award" since 2008. The prize 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 Australia, the United Kingdom, Germany, Italy, and Canada at the EAMN's Annual Congress in Gothenburg in October 2014. The winners were chosen from 560 entries by a jury of the European Association of Nuclear Medicine (EANM). The most outstanding research work was made in the fields of oncology diagnostics and therapy.

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 37,000 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.

Employees taking part in the National Multiple Sclerosis Society's annual "Walk MS" against multiple sclerosis

ECKERT & ZIEGLER | OUR PRODUCTS



Radiation Therapy Segment

1 | SagiNova® afterloader for treating cancer with the afterloading technique, the radiation source (in the afterloader) is placed by remote control and with the help of applicators within the tissue immediately around the tumor. This enables the tumor to be irradiated while sparing surrounding healthy tissue.

2 | Treatment planning software for afterloading therapy

3 | Applicator for the tumor irradiation device

4 | Applicators for implanting iodine seeds

5 | Ruthenium applicators for treating eye cancer

6 | Low-level radiation iodine seeds for minimally invasive treatment of prostate cancer


7

8

11


12


9


10


13

Radiopharma Segment

7 | *Modular-Lab eazy – the smallest radiosynthesis system on the market*
8 | *GalliaPharm ^{68}Ga radionuclide generator for cost-efficient production of radiopharmaceuticals*
9 | *FDG radiopharmaceuticals for detecting oncological, cardiological and neurological disorders*
10 | *Modular-Lab PharmTracer for fully automated routine production of radiopharmaceuticals*

Isotope Products Segment

11 | *Perflexion™: a unique flexible radiation source used in the calibration of nuclear medicine imaging equipment*
12 | *Radiation sources used for radiometric measurement of the density, thickness and level of materials in industrial processes*
13 | *Calibration source used to ensure accurate results in positron emission tomography (PET) scans*

ECKERT & ZIEGLER | OUR TEAM

Discussion in the hall

Packing the Modular-Lab synthesis device

Executive Board assistant standing in for an employee on parental leave

Assembly of electronic components for Modular-Lab

Quality control for synthesis cassettes

Better together!

In the construction department

Production of synthesis cassettes in the clean room

Internal sales team meeting

Members of the management team at the Braunschweig site

Production of GalliaPharm 68Ga radio nuclide generator in the clean room

Working and celebrating as a team

Manual setting of a Modular-Lab

Internal sales team member of the Isotope Products segment

Packing radiation sources for explosive detectors at airports

Production of seed chains for the treatment of prostate cancer

Measuring calibration sources at the Braunschweig production site

Member of the management team from the Radiopharma segment

Developing circuit boards for the Modular-Lab synthesis device

Team relay race through the Tiergarten in Berlin

Quality control of radio pharmaceuticals

Preparations underway in pharmaceutical production

Production of radiation sources for liquid level measurement at the Prague site

Trainees in front of the Eckert & Ziegler building in Berlin-Buch

Discussing the results of quality control at the Warsaw production facility

Assembly of synthesis devices in the Radiopharma segment

Production of radiation sources for oil exploration at the Prague production facility

Inspection of reagents

Quality control of radio pharmaceuticals at the Braunschweig site

Evaluation of measurement results in the laboratory

GROUP MANAGEMENT REPORT

1. The Group

1.1 BUSINESS MODEL OF THE GROUP

The Eckert & Ziegler Group (Eckert & Ziegler) is an internationally active producer of isotope-based components for medical, scientific and industrial applications. Besides Eckert & Ziegler Strahlen- und Medizintechnik AG, a listed Aktiengesellschaft (joint-stock company) under German law with headquarters in Berlin, the Group has minority interests in 37 other companies. The Group is managed by the Executive Board, which is supported by the extended Group Executive Committee in its decisions. It comprises the Executive Board of Eckert & Ziegler AG and the heads of selected Group segments.

The company's core business includes handling and processing of isotope-based 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 the retrieval of isotope related waste from hospitals and research institutions round off the 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 Others – are responsible for the operating business activities. With their various product groups, the subsidiaries are oriented towards diverse customer groups.

The Isotope Products segment produces isotope-based components for medical imaging, scientific applications, quality assurance, and industrial measurement purposes. The segment's headquarters are located in Los Angeles, California, USA. Other production sites are located in Brunswick, Germany and Prague, Czech Republic.

The Radiation Therapy segment targets its products at radiation therapists, a group of doctors that is specialized in treating cancer through irradiation. Its two most important products are small radioactive implants for treating prostate cancer based on iodine-125 (known as "seeds") and tumor irradiation equipment based on 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. As of the balance sheet date (December 31, 2014), Eckert & Ziegler held a 74 % share in the company's earnings/losses and 80 % of the voting rights at the Annual General Meeting.

The Radiopharma segment is based in Berlin and has additional locations in Mainz, Bonn, Brunswick, Vienna (Austria), and Warsaw (Poland). Its products include diagnostic 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. Yttrium-90 is another one of the segment's approved products. This substance has a number of uses, such as in the production of substances for radioembolisation 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, Poland, Austria and neighboring regions.

The Others segment contains internal Group services such as radiation protection, accounting, IT and human resources as well as the processing of production waste. The segment is also responsible for retrieving, processing and conditioning low-level radioactive isotope waste from hospitals and other facilities.

The markets of the 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.

1.2 BUSINESS MODEL OF ECKERT UND ZIEGLER STRAHLEN- UND MEDIZINTECHNIK AG

Eckert & Ziegler Strahlen- und Medizintechnik AG operates as a financial and management holding company and as a strategic development partner for its subsidiaries and does not conduct its own business operations. The main sources of revenues are therefore the services fees, interest and profits distributed by or transferred from the subsidiaries.

1.3 GOALS AND STRATEGIES

Sustainable and profitable growth is the goal of corporate development in the mid-term. This should be achieved one the one hand through organic growth, such as resulting from the (further) development of new and existing products, or by entering into new geographical markets. On the other hand, the Group seeks opportunities for profitable acquisitions and aims to generate revenues by improving efficiency.

1.4 MANAGEMENT SYSTEM

The Executive Board manages the Group's production and sales companies. It sets the course for strategic development, makes important decisions with management members, and monitors the achievement of targets by the subsidiaries.

The medium-term business plan for the Group is drawn up for five fiscal years, and is updated annually on a rolling basis. The annual individual business plan is bottom-up and is based on the business plans for each segment prepared by the respective general managers together with the Executive Board. Detailed targets are formulated with regard to specific benchmarks and key performance indicators for the individual production and sales companies. These individual business plans take into account estimates regarding the development of the industry.

In the fourth quarter of each fiscal year, the Executive Board submits a detailed annual Group business plan for the following fiscal year to the Supervisory Board. The centralized quarterly reports also include ongoing monitoring of budgets.

The financial controllers generate segment reports and oversee the development against plan, in particular the key performance indicators for revenues and EBIT. The financial controllers report directly to the Group Executive Committee on a quarterly basis with a structured financial report on quantitative and qualitative developments in the reporting period.

Financial management in the Group is mainly conducted at segment level, partly with different arrangements.

At regular meetings, the Executive Board gathers information about the market situation and sets the course in coordination with the general managers and segment heads. A comprehensive review of the annual business plan is carried out once a year.

1.5 RESEARCH & DEVELOPMENT

Total expenditure on research and development, plus capitalized development costs and without amortization, decreased from € 5.8 million to € 3.6 million in 2014. In the Radiopharma segment, only about one third of all development costs were capitalized in comparison to the prior year and no development costs were capitalized for projects in the Radiation Therapy segment.

The lower level of development is reflected in the drop in the innovation ratio, which was 16 % in the year under review. This key figure indicates that around € 22.5 million in sales were generated with products that were only incorporated into the Group's portfolio in the last two years. The largest share in this figure is attributable to the Austrian cyclotron facility, which was acquired in 2013. In the prior year, this figure included cancer irradiation equipment, meaning that sales of new products as defined at that time accounted for 21 %, or € 24.4 million.

Specific details on the activities:

In the Radiation Therapy segment, the focus was on the development of the product portfolio for temporary brachytherapy. Various new product developments have been specified and are in various stages of development. Following the installation of a production facility for seed chains in Russia in 2013, a production facility for the manufacture of seeds was also successfully handed over and put into operation there in 2014.

In the Radiopharma segment, the equipment division was extended to include a new generation of innovative synthesis devices. The Modular-Lab eazy product can be used for rapid and cost-effective production of diagnostic and therapeutic radiopharmaceuticals. This new and revolutionary technology was successfully introduced and established on the global market in 2014. In order for small nuclear medicine departments and clinics to be able to start producing radiopharmaceuticals with the 68Ga diagnostic contrast media at their own facilities, development was pursued in the area of quality control, which is necessary for the approval of contrast media. The TLC scan and HPLC scan products complete the range of so-called analysis, which is a necessity in every radiochemical and nuclear medicine laboratory. The equipment division increasingly developed into a provider of complete solutions in fiscal year 2014, which customers greatly appreciated. According to the motto: "everything from a single source." Furthermore, the focus is on the continuous development of our portfolio in order to expand our market leadership for our Ga68 products as well as to tap new markets.

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. Moreover, the applications of the segment's own accelerator mass spectrometer were expanded. Until now, the methods have been used in biotechnology and drug development, for example in strategic partnerships with GreenCross (Korea), Xenobiotic Laboratories (USA/China), CuraChem (Korea) and Loma Linda University Medical Center (USA). In October 2013, the "Eckert & Ziegler Vitalea ArcLab" was opened. The lab carries out archaeological radiocarbon dating, which involves analyzing materials that are uncovered during excavations. These contracts come from public and private companies. The government agency responsible for road, bridge and rail construction in the west of the USA certified Eckert & Ziegler for radiocarbon dating.

2. Economic report

2.1 BUSINESS DEVELOPMENT AND NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS OF THE GROUP

2.1.1 Business development of the Group

The Group generated sales of € 127.3 million in fiscal year 2014. This equates to an increase of € 10.1 million, or 9 %, on the prior year. The average US dollar/euro exchange rate was exactly € 1.33/USD in both 2013 and 2014. This means that no adjustments to sales need to be made for currency effects. However, the € 8.6 million increase in sales resulting from acquisitions is worthy of a special mention. Organic sales growth therefore amounted to € 1.5 million.

The Group missed its sales target of at least € 129.0 million as communicated in the forecast for 2014, since the acquisitions in the prior year did not result in the anticipated amount of additional sales in the reporting year and there was a decline in sales in some product categories in 2014.

Sales trends in individual segments

The largest segment, Isotope Products, reported the highest growth in sales with an increase of € 5.8 million to € 59.5 million. The increase is largely due to organic growth in all product areas, with the highest growth being recorded in the industrial sources business, which saw weaker growth in the prior year, followed by the lower-margin trade business.

The greatest relative growth was generated in the Radiopharma segment with an increase of 14 % to € 32.3 million, although the base effect of the acquisition of the stake in an Austrian company in mid-2013 had the strongest impact. In addition, the equipment division, gallium generators and yttrium products generated organic sales growth.

The Radiation Therapy segment was disappointing in 2014. Although sales rose by € 1.0 million to € 28.8 million, this was only due to the acquisitions made at the end of 2013. These contributed a total of € 5.3 million to sales growth. In the existing business, however, sales fell by € 4.3 million. Tumor irradiation equipment missed the sales target mainly due to the Ukraine crisis and project delays in developing and emerging countries. In addition, the market potential for permanent implants for prostate cancer decreased in 2014. The fall in the number of cancer screening tests using PSA blood tests resulted in a reduced number of persons in whom prostate cancer was diagnosed at an early stage. This development had an impact both on the sales of the existing business in Europe and on the sales of the new acquisitions in the USA, so that both regions remained below expectations.

In the Others segment, which has also included Environmental Services since 2014, sales were deliberately scaled back, as the main focus was on reducing owned waste.

With sales of € 67.6 million in 2014, Europe remains the Group's main sales region geographically. This segment generated 53 % of consolidated sales, compared to € 68.9 million, or 59 %, in the prior year. The reason for the relative decline was lower sales in the Radiation Therapy segment in Russia. Customers from Germany made the greatest contribution in Europe with € 24.7 million (prior year: € 25.8 million). The largest sales market for Eckert & Ziegler's products in 2014 was once again the United States, where goods worth € 39.8 million (predominantly in USD) were invoiced. Sales in USD accounted for 43 % (prior year: 38 %) of total consolidated sales. The Group is now more dependent on exchange rates than in the prior year.

2.1.2 Results of operations

Consolidated profit after taxes and minority interests fell by 25 %, from € 9.0 million to € 6.8 million. The number of shares remained stable at 5.3 million. Earnings per share fell by € 0.43 per share to € 1.28 per share.

The 2014 consolidated financial statements included corrections to the 2013 consolidated financial statements. These are described in more detailed in the notes to the consolidated financial statements. In total, the consolidated net profit for 2013 declined by € 54 thousand. In the following comparison, reference is made to the adjusted figures for 2013.

As described in the section on business development, sales increased by 9 %. In relation to this, the cost of sales increased at a disproportionately lower rate, so that the gross margin increased by 12 %. The increase in sales, distribution and administration costs was also disproportionately lower in relation to sales growth.

The changes in other operating income were more significant, falling from € 7.8 million in the prior year to € 1.1 million in the reporting year, as the prior year included special effects in connection with the OctreoPharm transaction as well as two successful legal disputes. Other operating expenses, which now include development costs, fell from € 6.1 million to € 3.9 million in 2014. The main reason for the decline is the absence of extraordinary depreciation.

EBIT rose by € 0.8 million to € 13.0 million. However, interest income deteriorated by € 1.3 million due to the absence of interest refunds from the tax office as well as the lack of interest effects from non-current receivables. Despite lower pre-tax profits, tax expenses declined by € 3.5 million to € 5.3 million. This was due to tax refunds in the prior year as well as adjustments to deferred tax assets on tax loss carry-forwards at a foreign company due to the adjusted planned utilization of tax loss carry-forwards in 2014. Lower earnings in the Radiation Therapy segment in the minority interests item countered this development.

2.1.3 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. Industrial components for metrology
2. Radiation sources for medical quality assurance
3. Calibration and measurement sources
4. Trade in 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. The segment was able to maintain or improve this position and was even able to increase it to almost 100 % in the sub-segments through the acquisition of former competitors. Although some niches in this area registered impressive growth rates, the overall market merely grew at about the same pace as global GDP.

The fourth group makes use of Eckert & Ziegler's purchasing leverage to resell raw isotopes to third parties at a profit. Additionally, it realizes project sales of American company Vitalea Science, Inc., which was acquired in 2012 and offers radiocarbon dating using carbon-14 isotopes for medical and industrial applications.

External sales in the segment increased by € 5.8 million to € 59.5 million. Gross profit on sales improved by almost the same amount as the cost of sales remained almost unchanged. This positive development is due to a shift in the product mix toward higher-margin products. Overall, the segment recorded a 6 % increase in net profit to € 10.2 million.

Radiopharma segment

The Radiopharma segment comprises the device division for synthesis modules and accessories (Modular-Lab), short-lived radioactive agents imaging using positron emission tomography (cyclotron products) and longer-lived radioisotopes for pharmaceutical applications (in particular yttrium-90).

The cyclotron-based radiodiagnostics and other products are primarily [18F] fludeoxyglucose (18F; FDG), which is sugar isotope-labeled 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 Austria as well as to neighboring regions, making it one of the leading suppliers in Europe.

Sales of cyclotron-based radiodiagnostics increased by 8 % due to the acquisition in Austria. In the equipment division, including gallium generators, sales have recovered significantly after a weak 2013, increasing by 30 %. Yttrium-90 products recorded a 13 % increase in sales.

While sales in the segment were up 14 %, costs only increased by 5 %. This fully offset the extraordinary income of € 2.3 million included in the prior year from the transaction involving OctreoPharm Sciences GmbH. EBIT increased by 7 % to € 2.5 million.

Radiation Therapy segment

The segment's main product groups are:

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

Eckert & Ziegler provides implants for treating prostate cancer in Europe, where it is one of the largest providers. The global market for implants has a volume of approximately € 100 million. The number of treatments is declining slightly and margins are under pressure. Eckert & Ziegler is attempting to counter this trend through acquisitions that allow economies of scale. Last year, it succeeded in re-entering the attractive US market.

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 € 200 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, which are particularly beneficial in developing and emerging countries.

In 2014, total sales to external customers increased by 4 % to € 28.8 million. The segment, however, had expected sales to be higher in 2014, resulting in negative EBIT of € –1.6 million. Restructuring measures which had already been introduced by the end of the year had no significant effect in the prior year.

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 [in € thousand].

€ thousand	Radiation Therapy segment of Eckert & Ziegler AG	Consolidated report of the listed Eckert & Ziegler BEBIG s.a.	Differences resulting from customer base and tax adjustments
Sales to external customers	**28,829**	**28,816**	**13**
Other costs & income	– 30,694	– 30,337	– 357
EBT	**– 1,865**	**– 1,521**	**– 344**
Income taxes	– 1,422	– 1,526	104
Net income	**– 3,287**	**– 3,047**	**– 240**

Others segment

The Others segment includes Environmental Services, which was reported separately in the prior year, as well as the items of holding company Eckert & Ziegler Strahlen- und Medizintechnik AG. The latter is unable to fully pass on its expenses to the segments and is therefore financed through the services rendered, such as accounting, human resources, IT, and radiation protection, which are passed on individually plus a profit margin. In addition, the holding company issues loans and receives interest as well as profit transfers.

The segment mainly generates external sales with:

1. Taking back radiation sources from customers of the Isotope Products segment
2. Receiving low-level isotope related waste
3. Waste conditioning projects

External sales declined slightly by € 0.7 million in the reporting year. EBIT improved by € 2.8 million. Unlike in the prior year, special effects from the increase in provisions for the disposal of waste did not have to be recorded. Nevertheless, EBIT was negative at € –2.6 million.

2.1.4 Financial position

The cash flow statement opens with income for the period of € 6.5 million. Income after taxes and before minority interests from the income statement is down € 4.0 million year on year.

Cash inflows from operating activities also declined year on year, by € 4.0 million to € 10.7 million. Although the non-cash expenses requiring elimination increased by € 1.3 million resulting in an improvement in cash flow, the effect was more than offset by the increase in inventories. This led to a € 1.4 million year-on-year increase in net working capital. The increase in inventories was due to tumor irradiation equipment that had not been sold and the build-up of a strategic raw material reserve.

Cash outflows from investment activities decreased by € 6.6 million to € 10.8 million in 2014. This is partly due to the decline in investments in intangible assets and property, plant and equipment, which had reached a record level in 2013 due to the key construction phase of the new cyclotron facility in Warsaw, Poland. On the other hand, expenditures for acquisitions decreased. Five acquisition projects were concluded in the prior year compared to just one sales location in the Isotope Products segment in Brazil in 2014.

Cash outflows from financing activities amounted to € 8.5 million, compared to cash inflows of € 1.7 million in the prior year. The changes in loans had the most significant effect here. Whereas in the prior year, the sum of loans taken out was higher at net € 6.1 million, in 2014, loans were mainly repaid and bank loans decreased by net € 4.1 million. The constant dividend of € 0.60 per share ensured a steady cash outflow of € 3.2 million.

A positive exchange rate effect due to the increase in the US dollar exchange rate caused the value of cash and cash equivalents to increase by € 1.1 million. Overall, liquidity fell by € 7.6 million to € 21.8 million in 2014.

2.1.5 Net assets

The balance sheet total increased by € 8.9 million to € 187.3 million in 2014. On the assets side, this effect was more or less equally distributed between current and non-current asset items. Although cash and cash equivalents within the current assets item decreased, as shown in the financial position, this effect is more than offset by the increase in inventories and receivables. Investments in property, plant and equipment resulted in a rise in non-current assets.

On the liabilities side, equity increased due to the fact that not all profit was distributed. In addition, the shift from long-term to short-term loans due to non-compliance with the covenants in Radiation Therapy segment is notable.

As equity increased in about the same proportion as total assets compared to the prior year, the equity ratio is almost unchanged at 50.4 % (prior year: 50.6 %).

2.2 NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS OF ECKERT & ZIEGLER STRAHLEN- UND MEDIZINTECHNIK AG – EXPLANATIONS BASED ON GERMAN COMMERCIAL CODE (HGB)

Business development

During fiscal year 2014, profit transfer agreements were in force between Eckert & Ziegler AG and a direct subsidiary and the subsidiary’s subsidiaries. The annual profit or loss generated by the other subsidiaries is not completely transferred to the parent company and the separate financial statements of Eckert & Ziegler AG therefore differ greatly from consolidated earnings.

In fiscal year 2014, Eckert & Ziegler AG received profit of € 4,876 thousand as part of the profit transfer agreement with its German subsidiary, Eckert & Ziegler Isotope Products Holdings GmbH.

Results of operations

Compared to the prior year, the main changes to the income statement are as follows:

a) Revenues increased by € 39 thousand to € 3,930 thousand. This primarily relates to income from services and rents for affiliates.
b) Other operating income fell by € 1,565 thousand to € 500 thousand as income from license sales and the disposal of a company within the Eckert & Ziegler Group in the prior year did not recur in the reporting year.
c) Personnel expenses increased slightly by € 42 thousand to € 2,607 thousand. The Group's remuneration system for the compensation of board members is explained in the Remuneration Report.
d) Amortization fell by € 701 thousand to € 537 thousand as a special effect was included in the prior year. The recognition of costs for an ERP system in Berlin was capitalized in profit and loss after the project was discontinued.
e) Other operating expenses declined by € 1,002 thousand to € 2,141 thousand primarily due to savings in IT and infrastructure due to the termination of the ERP projects in Berlin and Brunswick and lower auxiliary rental costs.
f) Income from the profit and loss transfer decreased by € 1,694 thousand to € 4,876 thousand as the profit transfer from a French subsidiary was included in the prior year. For administrative reasons, profit is not transferred every year, but accumulated over several years. The profit distribution of an American company was reduced in order to shorten the period between the dividend resolution and the profit transfer.
g) Based on scheduled repayments of granted and received loans, interest income fell by € 72 thousand to € 529 thousand and interest expense declined by € 61 thousand to € 484 thousand.

Net profit of € 4,433 thousand was reported for fiscal year 2014. This amounts to the balance sheet profit for 2014.

Net assets and financial position

Eckert & Ziegler AG's balance sheet total fell by € 2,179 thousand to € 86,445 thousand.

On the assets side, the main changes were as follows: Loans to affiliates were down by € 4,018 thousand to € 3,959 thousand due to scheduled repayments. At the same time, receivables due from affiliates increased by € 2,276, largely to due to profit transfers not yet paid.

Shareholders' equity amounts to € 81,365 thousand and is up € 1,261 thousand year on year. The increase stems from the difference between net profit of € 4,433 thousand and the dividend payout of € 3,173 thousand.

On the liabilities side, the € 3,191 thousand decline in liabilities to banks to € 1,350 thousand is noteworthy. Scheduled repayments are again responsible for this.

The company was granted credit lines of € 3,000 thousand which were fully available as of the balance sheet date. Cash at banks amounted to € 1,160 thousand. The company therefore has sufficient liquidity reserves for ongoing cash management.

The Executive Board continues to rate the company's economic situation as very good. The equity ratio improved from 90 % to 94 %.

2.3 EMPLOYEES

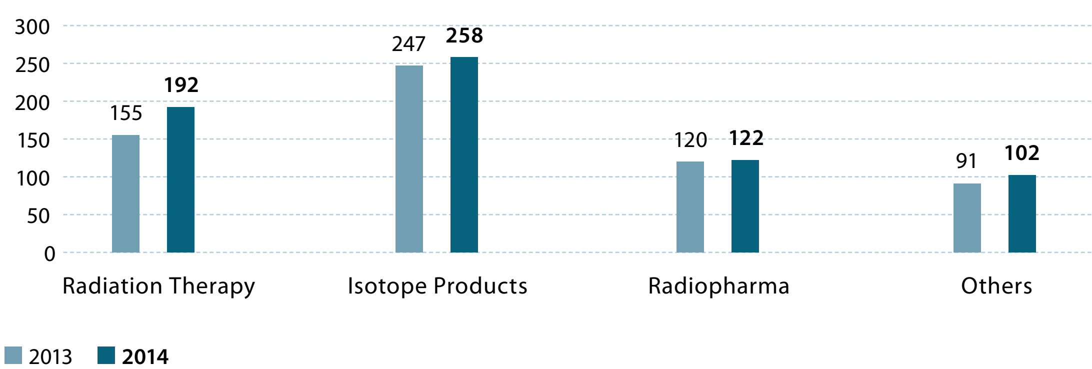
As of December 31, 2014, Eckert & Ziegler had a total of 711 employees (2013: 686) throughout the Group. The number of employees therefore increased by 25, or 4%, over the same period in the prior year. The increase was mainly due to the acquisition within the Isotope Products segment, including an additional 29 employees in Brazil. This offsets the changes in other segments. The Others segment also increased its number of employees, particularly in Environmental Services in order to expedite the disposal of waste material. The Radiopharma segment expanded thanks to new hires at the new cyclotron plant in Warsaw, Poland. In the Radiation Therapy segment, on the other hand, staff cuts were necessary due to weak business.

Based 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, but includes part-time employees and employees with minimal working hours, the number of employees rose from 613 to 674.

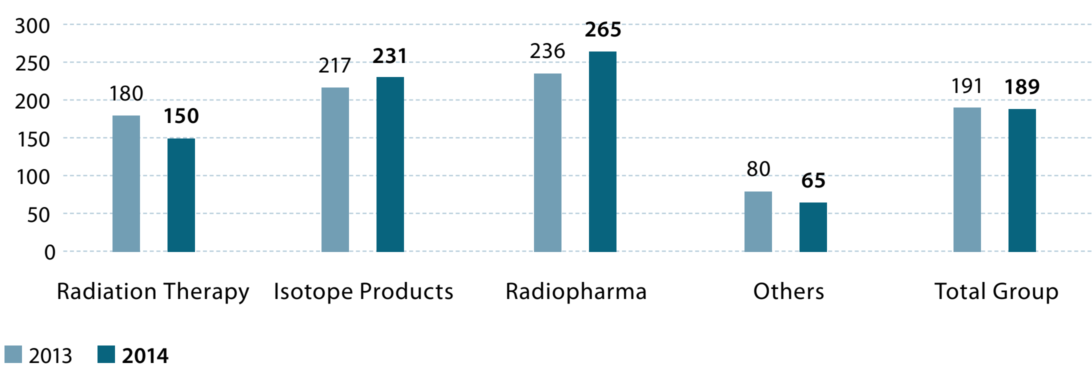
The fluctuation rate, the number of employees who left the Group in the reporting year according to this definition, was 13%, slightly higher than the prior year's figure of 11%, and hence above the average fluctuation rate in Germany of around 12%. The reason for the higher fluctuation rate is the restructuring efforts in the Radiation Therapy segment. The proportion of women in the total Group workforce remained stable at 40% in the period under review. The average age of the Group's workforce in the reporting year was 43 (2013: 45) with a focus on the 40 to 45-year-old age group, but closely followed by the 30 to 35-year-old age group. Roughly half of all employees have a qualification from a university of applied sciences or a higher quality education.

Eckert & Ziegler Strahlen- und Medizintechnik AG employed an average of 42 employees (prior year: 36).

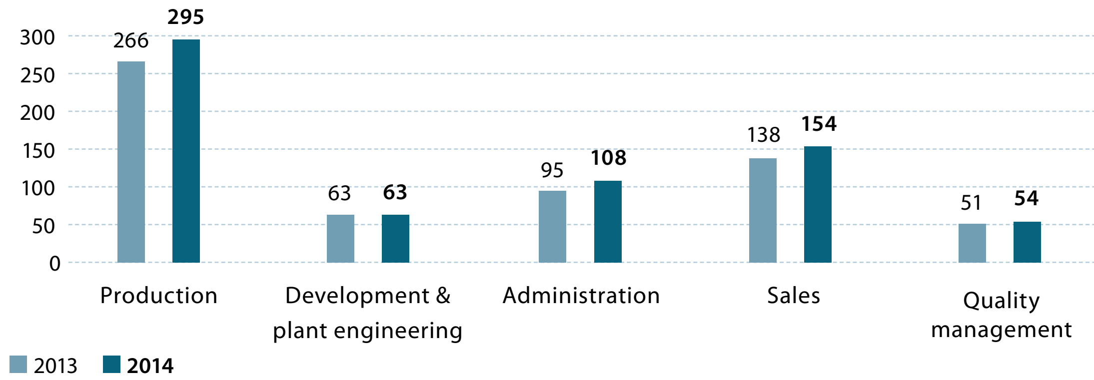
AVERAGE NUMBER OF EMPLOYEES BY SEGMENT



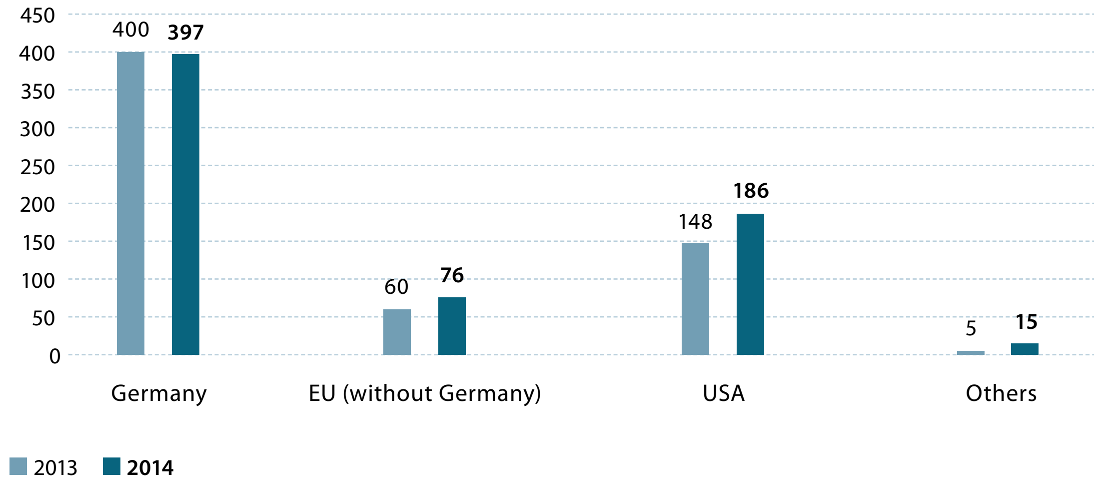
SALES PER EMPLOYEE IN € THOUSAND



NUMBER OF EMPLOYEES BY DEPARTMENT



NUMBER OF EMPLOYEES BY REGION



Personnel expenses totaled € 44.9 million in the period under review (2013: € 38.7 million). This results in average personnel expenses of about € 67 thousand in 2014 compared to approximately € 63 thousand in the prior year. The increase is attributable to ordinary salary increases and personnel expenses that include settlement payments related to the staff cuts in the Radiation Therapy segment.

2.4 OVERALL STATEMENT CONCERNING THE ECONOMIC POSITION

The Group's sales increase in 2014 was positive even though it was lower than expected and the profit target could not be achieved. The decisive factor is that the core business remains stable. With its strong cash flow and sound balance sheet ratios, the Group remains in a position to both pursue and finance future growth and emerging business opportunities in the relevant business areas.

3. Events after the balance sheet date

No major events occurred after the balance sheet date.

4. Opportunities and risks

Eckert & Ziegler AG'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 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.

The Group's opportunities and risks indirectly affect the parent company, EZAG, through its shareholdings.

4.1 ORGANIZATION OF RISK MANAGEMENT

The overall responsibility for risk management lies with the Executive Board. However, the operational 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, operational 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 opportunities 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.

As part of risk management, risks are classified according to financial risks, legal risks, IT risks, accounting-related risks and risk of the internal control system, personnel risks, general risks arising from the production and handling radioactivity, general commercial and strategic risks and development risks. The persons responsible for risks are defined. Based on their probability of occurrence and their potential financial impact on EBIT, the identified risks are assigned to categories low/medium/high/very high in a risk matrix. Risks which endanger the company as a going concern are – if present – highlighted and reported. Risks are classified as follows:

Classification	Probability of occurrence	Intensity
1-Low	Up to 25 %	Up to € 50.000
2-Medium	25 to 50 %	50.000 to € 200.000
3-High	50 to 75 %	200.000 to € 500.000
4-Very high	Above 75 %	More than € 500.000

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.

4.2 ACCOUNTING-RELATED RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Probability of occurrence: **Low**/Intensity: **High**
Accounting-related risk management comprises all organizational rules and measures for detecting and handling financial reporting risks. 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 37 single-entity financial statements of domestic and foreign subsidiaries. Due to the number of companies and the varying regional distribution of the subsidiaries, 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.

Two key components ensure that risks are avoided or reduced at the Eckert & Ziegler Group: a system of directives and rules of procedure as well as reporting for informative purposes. Rules of procedure govern the scope of responsibility of the Supervisory Board, the Executive Board and General Managers of all Group companies and include the various levels of hierarchy in the decision-making process. Individual directives which apply to all employees are available on the Group's intranet. Monitoring reports on the risk situation are provided to those responsible at predefined intervals. The Supervisory Board is informed of the risks in an annual risk report.

The objective of the internal control system of the accounting and consolidation process is to minimize sources of error and to recognize errors quickly. A system was implemented which corresponds to the size of the Group. The following organizational regulations and processes have been implemented to guarantee that the accounting complies with the applicable standards:

- All units of the Group are integrated in a defined management and reporting structure. The applicable principles, structural and procedural organization and defined processes are documented and adjusted according to current developments.
- The consolidated financial statements are prepared according to a schedule which is determined by the consolidated financial statement department. It includes all important activities and deadlines.
- The Group's accounting department is centralized and internationally organized in some cases. The involvement of external services providers in the financial statement process is generally limited to tax calculations. In minor exceptional cases financial statements are prepared externally.
- New issues are agreed with the Group's headquarters. Changes to Group accounting are communicated directly to all employees and external service providers concerned.
- The reporting of the subsidiaries is conducted using standardized forms which are completed by the respective accounting departments for the monthly, quarterly and annual financial statements.
- All information flows to the segments' controlling departments where it is monitored. Deviation analyses are carried out and discrepancies in terms of compliance with financial statement-relevant Group guidelines are examined and discussed with the respective subsidiary and reported to the Group financial statement department if necessary.
- Initial internal reconciliations and consolidations are carried out at segment level in the central controlling departments. This includes the reconciliation of receivables and liabilities between Group companies.
- Monitoring with regard to consolidation arises from the consolidation process. Reconciliation discrepancies in terms of consolidation are communicated to the respective subsidiaries and rectified.
- Consolidation takes place with the help of a standardized consolidation program which is only applied by specifically trained and authorized employees.
- The internal tax department is involved in calculating relevant items for the financial statements which include taxes.
- Flat hierarchies, direct reporting channels and monthly interim financial statements allow for the recognition of risks and early detection of errors.

Various balance sheet items are subject to discretion to a certain degree and are therefore taken into account during the preparation of the financial statements.

As a listed company, Eckert & Ziegler is required to adhere to IFRS accounting standards in accordance with Section 315a of the German Commercial Code (HGB) as are applicable in the EU. It must therefore calculate fair values for certain 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 if mandatory 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 implemented processes, systems and control sufficiently guarantee that the accounting process complies with the International Financial Reporting Standards (IFRS), German Commercial Code (HGB) and other accounting-relevant regulations and laws and is therefore permitted.

4.3 FINANCIAL RISKS

Probability of occurrence: **Low**/Intensity: **High**
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 subsequent 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. In 2014, debt financing was requested from banks or offered. The loans offer favorable conditions which demonstrate the Group's credit rating. 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. Due to the unexpectedly poor results of the Radiation Therapy segment, the covenants which relate exclusively to the figures of this Group company were not maintained for one loan agreement as of December 31, 2014. The Executive Board is currently discussing ways of amending the situation. In the 2014 consolidated financial statements, the loan amount in question was fully reclassified as a current liability.

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 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 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.

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.

In some cases Eckert & Ziegler Strahlen- und Medizintechnik AG has assumed guarantees for loans granted to subsidiaries. One loan which the company granted to a subsidiary is subordinated.

This loan is not expected to be utilized, as the subsidiaries are probably able to meet their obligations.

4.4 LEGAL RISKS

Probability of occurrence: **Low**/Intensity: **High**
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 the financial position and results of operations.

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

4.5 IT RISKS

Probability of occurrence: **Low**/Intensity: **Very high**
Eckert & Ziegler is exposed to the risk of IT system outages. Damages could result in loss of data and, in the worst-case scenario, could interrupt operations. As security measures, backups are regularly performed, antivirus software is used, and most servers are virtualized.

4.6 PERSONNEL RISKS

Probability of occurrence: **Low**/Intensity: **High**
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.

4.7 GENERAL RISKS ARISING FROM THE PRODUCTION AND HANDLING OF RADIOACTIVITY IN PARTICULAR AND RESULTING OPPORTUNITIES

Probability of occurrence: **Low**/Intensity: **Very high**
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 and has thereby gained an edge on potential competitors planning to enter the market. Moreover, this also offers numerous opportunities for accelerating organic and acquisition-driven growth in the business areas.

Eckert & Ziegler relies on options for the disposal of radioactive waste, which is created when taking back sources or during production. The closure or delayed opening 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.

The handling of radioactive substances requires approval from the relevant government authorities. It cannot be ruled out that production or handling in individual cases or at certain locations may become more expensive, restricted or even prevented due to changes in legal or regulatory conditions.

4.8 GENERAL COMMERCIAL AND STRATEGIC RISKS

Probability of occurrence: **Low**/Intensity: **Very high**
As a specialist for a broad portfolio of isotope-based components, irradiation equipment, and radiopharmaceuticals, Eckert & Ziegler is better protected against slumps in the market than single-product companies. Although the different business fields are similar in terms of the technology they use, 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.

In the medical divisions, the economic success of Eckert & Ziegler's products depends on cost reimbursement for the respective applications. A reduction or elimination of cost reimbursement would have dire consequences on sales and earnings. Capital goods are also sold in the segments. There is a risk of limited budgets at public and private contractors.

4.9 MAIN CUSTOMER RISK

Probability of occurrence: **Low**/Intensity: **Very high**
Sales to the Group's five largest customers in the period under review totaled €10.5 million, or approximately 8 % of total performance. Compared to the prior year, when the five largest customers accounted for 9 %, the customer base was more broadly diversified.

4.10 RESEARCH AND DEVELOPMENT RISKS

Probability of occurrence: **Low**/Intensity: **High**
The Eckert & Ziegler Group carries out its own research projects where possible. These projects mainly involve the further development of existing products in order to maintain or reduce the competitive situation compared to the competition and alternative application methods. These measures may prove unsuccessful as a result of faster market developments, incorrect targets or non-achievement of the development objectives. Through market observations and project management-related measures, an attempt is made to minimize the risks. At the same time, successfully completed development projects offer opportunities for disproportional organic growth.

4.11 OPPORTUNITIES ACCORDING TO SEGMENT

Eckert & Ziegler's outstanding market position in the Isotope Product 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.

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

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

4.12 RISKS RELATING TO FINANCIAL INSTRUMENTS

Financial instruments are only concluded to hedge the operating business in order to hedge risks arising from changes in exchange rates and interest rates. As financial instruments are only used to hedge transactions where the volumes exceed a certain threshold, exchange rate and interest rate fluctuation therefore has a certain impact on the Group's earnings.

As outlined in section 4.3 "Financial risks," key long-term financing was secured at favorable conditions and suitable interest swaps were concluded for the repayment structure. These financial instruments are covered by appropriate loans which develop in the opposite direction to the valuation of the financial instruments. The aim of this is to hedge the interest rate risk. These transactions are not recognized as a valuation unit as they do not meet the high documentation requirements.

It should also be noted that currency risks are hedged using forward transactions and put options. It should be pointed out that all such hedging transaction have an offsetting transaction. Only the contractual partner's identity is not revealed. If the customer does not pay, the hedging transaction still has to be settled with the bank, which in turn represents a risk. Such transactions are therefore only carried out to a limited extent after careful consideration. As of the reporting date, no such forward or option transactions were underway.

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 2014. 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.

4.13 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 aforementioned risks to significantly impact fiscal year 2015.

5. Outlook

5.1 OVERALL ECONOMIC ENVIRONMENT

Economic development was mixed in 2014. Global economic growth was around 2 %, particularly on account of sustained strong growth in China at approximately 7 %. Growth in the USA and Germany, on the other hand, were in line with the global average at 2 %. The eurozone grew moderately at 1 %. The forecasts for 2015 indicate a recovery. Growth in China is still expected to remain at over 7 % while growth in the remaining countries, including the eurozone, is expected to improve significantly in some cases.

Eckert & Ziegler is only partially affected by economic fluctuations, as demand in the health care sector is subject to different cycles. Its operating business, however, is also influenced by global economic developments. This will apply especially if major projects of public institutions are cancelled due to government austerity measures or if plans are introduced to cut administrative expenditure in health care.

Among the general conditions, the US dollar/euro exchange rate is also important for Eckert & Ziegler. As the Isotope Products segment, which is based in the USA, makes a significant contribution to the Group's earnings and liquidity, even minor changes in the exchange rate impact the Group's sales, expenses and income. The exchange rate also influences Eckert & Ziegler's competitive situation, in particular in the Radiation Therapy and Radiopharma segments. The weaker the US 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.

In 2014, the weighted average of the US dollar/euro was 1.33, which was above the average in 2013. At the time of preparing the financial statements, the USD/EUR exchange rate was around 1.11. The average exchange rate for the first quarter of 2015 is therefore well below the average in 2014, a favorable development for Eckert & Ziegler.

However, no significant negative effects resulted from these currency fluctuations. It is difficult to forecast how exchange rates will develop throughout the remainder of 2015. 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. The consensus among various economists for the USD/EUR exchange rate at year-end 2015 determined by Consensus Economics, Inc. is currently 1.16. If fluctuations remain within the range of recent years, Eckert & Ziegler will be able to manage any changes in the exchange rate and any substantial impact on the Group will be avoided.

The following forecasts are made on the basis of these assumptions:

5.2 FUTURE BUSINESS DEVELOPMENT IN THE RADIATION THERAPY SEGMENT

The Radiation Therapy segment is in a difficult position after a disappointing 2014. Costs are being reduced in view of the uncertain sales prospects. On the other hand, measures are being taken to increase sales significantly in future by investing in product development and the expansion of the service center. Sales of at least € 31.0 million are expected, which corresponds to an increase of around 8 %. The result of the Radiation Therapy segment is therefore likely to be negative again in 2015, albeit to a lesser degree than in the reporting year (2014: € –3.3 million).

5.3 FUTURE BUSINESS DEVELOPMENT IN THE REST OF THE GROUP

In 2015, the Isotope Products segment is expected to see a single-digit percentage increase in sales and slightly better earnings. In the Radiopharma segment, the Executive Board also forecasts a single-digit increase in sales in percent and an improvement in earnings of around € 0.5 million to € 1.0 million. The other segment is expected to be in line with 2014.

5.4 FUTURE BUSINESS DEVELOPMENT IN THE GROUP

In total, sales are expected to increase to more than € 133 million in 2015 and earnings to exceed the level of 2014, to more than € 1.71 per share.

A sales increase at Group level of around 5 % and a slight improvement in earnings is therefore anticipated.

The forecasts are based on a USD/EUR exchange rate of no more than 1.20. We also assume that the oil price will stabilize at over USD 70 (Brent), otherwise there is the risk that fewer new oil wells are developed and that demand for relevant Eckert & Ziegler components will drop substantially.

5.5 FUTURE BUSINESS DEVELOPMENT OF ECKERT & ZIEGLER STRAHLEN- UND MEDIZINTECHNIK AG

The holding company's planning for 2015 is based on stable income from services and stable expenses. In operating terms, the company is likely to post a loss. However, it will be mitigated by the positive balance of interest income and expense. Dividend income and profit transfers are also likely to remain roughly unchanged compared to 2014 and therefore make a positive contribution to earnings. In total, net profit of around € 4 million is expected for fiscal year 2015 which will allow for stable dividend payments to shareholders.

6. Other disclosures

6.1 REMUNERATION REPORT

6.1.1 Principles of the remuneration system

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 and 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, both with regard to upper management and the workforce.

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. The aim of the remuneration is the sustainable development of the company. Executive Board contracts were amended as of fiscal 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 and limits. 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. 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. The variable components are subject to limits.

No severance payments have been agreed on in the event of premature or regular termination of a member's term on the Executive Board. Competition clauses were agreed for two members of the Executive Board stating that a part of the fixed salary is to be paid over a certain period as compensation for the prohibition of other employment in the sector. 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.

The members of the Supervisory Board receive fixed annual remuneration of € 10,000. The Chairman receives double the amount and the deputy Chairman one and a half times this amount.

If a member has not been on the Board for a full fiscal year, the respective member receives remuneration on a pro rata basis.

Members of the Supervisory Board receive € 1,000 for each Supervisory Board meeting they participate in.

6.1.2 Total remuneration of the members of the Executive Board

Name		Fixed components	Variable components	Total
€ thousand	Fixed salary[1]	Benefits in kind	Profit sharing/ bonus[1]	
Dr. Andreas Eckert	300 (2013: 300)	31 (2013: 29)	217 (2013: 212)	548 (2013: 541)
Dr. Edgar Löffler	186 (2013: 186)	30 (2013: 37)	35 (2013: 96)	251 (2013: 319)
Dr. André Heß	180 (2013: 150)	29 (2013: 28)	137 (2013: 142)	346 (2013: 320)

1) *The fixed remuneration and profit sharing / bonuses of Executive Board members Dr. Edgar Löffler and Dr. André Heß are not included in the company's staff costs, as this remuneration is charged to the subsidiaries.*

Pension provisions of € 482 thousand (2013: € 433 thousand) relate to a former member of the Executive Board. In fiscal year 2014, pension payments were made to this former Executive Board member in the amount of € 32 thousand (2013: € 32 thousand).

6.1.3 Total remuneration of the Supervisory Board

In fiscal year 2014, members of the Supervisory Board received fixed remuneration totaling € 75 thousand (2013: € 75 thousand) and attendance fees in the amount of € 27 thousand (2013: € 31 thousand). This represents total expenses of € 102 thousand (2013: € 106 thousand).

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

Name	Remunerated function	Fixed remuneration	Attendance fees	Total
€ thousand				
Prof. Dr. Wolfgang Maennig	Chairman of the Supervisory Board	20 (2013: 20)	5 (2013: 5)	25 (2013: 25)
Prof. Dr. Nikolaus Fuchs	Deputy Chairman of the Supervisory Board	15 (2013: 15)	5 (2013: 6)	20 (2013: 21)
Hans-Jörg Hinke	Member of the Supervisory Board	10 (2013: 10)	5 (2013: 6)	15 (2013: 16)
Dr. Gudrun Erzgräber	Member of the Supervisory Board	10 (2013: 10)	5 (2013: 6)	15 (2013: 16)
Prof. Dr. Detlev Ganten	Member of the Supervisory Board	10 (2013: 10)	2 (2013: 4)	12 (2013: 14)
Dr. Fritz Oesterle	Member of the Supervisory Board (to 2014/7/31)	6 (2013: 10)	3 (2013: 4)	9 (2013: 14)
Prof. Dr. Helmut Grothe	Member of the Supervisory Board (since 2014/7/31)	4 (2013: 0)	2 (2013: 0)	6 (2013: 0)

No remuneration or benefits were paid to Supervisory Board members for services, in particular consulting and brokerage services, rendered outside of their activities on the Supervisory Board in the period under review.

6.2 INFORMATION REQUIRED UNDER TAKEOVER LAW

As of December 31, the company's nominal capital was € 5,292,983 (prior year: € 5,292,983), divided into 5,292,983 non-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, 2014, Chairman of the Executive Board Dr. Andreas Eckert indirectly held 1,692,990 shares through Eckert Wagniskapital und Frühphasenfinanzierung GmbH, Panketal, Germany, and directly held 12,001 shares, amounting to a total of 32.21 % of the subscribed capital of Eckert & Ziegler Strahlen- und Medizintechnik AG of 5,292,983 shares. The total holdings of the remaining members of the Group's Executive Board and the Group's Supervisory Board in shares issued by Eckert & Ziegler Strahlen- und Medizintechnik AG amounted to under 1 % of the subscribed capital as of December 31, 2014.

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 119 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 non-par shares (contingent capital

1999). The contingent capital increase may only be 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. With the approval of the Supervisory Board, the Executive Board exercised the right to contingently increase capital by € 32 thousand and issued 31,650 non-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 non-par shares in fiscal year 2010.

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"). 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 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.

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. 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, 2014, the company held 4,818 (2013: 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.

6.3 DECLARATION ON COMPLIANCE (SEC. 289A HGB)

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

6.4 AFFILIATED COMPANY REPORT

An affiliated company report with the following declaration of the Executive Board was issued:

"We declare that EZAG received appropriate consideration for the legal transactions described in the affiliated company report according to the circumstances known to us at the time the transactions were made. No measures were taken or omitted at the request or in the interest of the controlling company or an associated company."

6.5 STATEMENT OF THE LEGAL REPRESENTATIVE (BALANCE SHEET OATH)

We assure to the best of our knowledge that in accordance with the applicable financial reporting principles, the annual consolidated financial statements provide a true and fair view of the net assets, financial position, and results of operations of the annual financial statements and 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 company and the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Berlin, March 16, 2015

Eckert & Ziegler Strahlen- und Medizintechnik AG
The Executive Board

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

GROUP FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

€ thousand	Notes	2013 (adjusted)	2014
Revenues	7.	**117,138**	**127,256**
Cost of sales	8.	– 60,063	– 63,474
Gross profit on sales		**57,075**	**63,782**
Selling expenses	9.	– 21,933	– 23,576
General administration costs	10.	– 23,939	– 25,044
Other operating income	14.	7,796	1,067
Other operating expenses	11.,15.,17.	– 6,102	– 3,914
Operating profit		**12,897**	**12,315**
Results from shares measured at equity	16.	– 183	– 609
Exchange rate gains		179	1,811
Exchange rate losses		– 748	– 561
Earnings before interest income and income taxes (EBIT)		**12,145**	**12,956**
Interest income	18.	1,314	468
Interest expenses	18.	– 1,188	– 1,628
Income before income taxes		**12,271**	**11,796**
Income taxes	19.	– 1,824	– 5,299
Net income		**10,447**	**6,497**
Profit attributable to losses / gains	20.	1,412	– 278
Dividend to shareholders of Eckert & Ziegler AG		9,035	6,775
Earnings per share	21.		
Undiluted (EUR per share)		**1.71**	**1.28**
Diluted (EUR per share)		**1.71**	**1.28**
Shares in circulation on average (undiluted – in thousand units)		5,288	5,288
Shares in circulation on average (diluted – in thousand units)		5,288	5,288

CONSOLIDATED COMPREHENSIVE INCOME

€ thousand	Notes	2013 (adjusted)	2014
Net income		**10,447**	**6,497**
Of which attributable to shareholders of Eckert & Ziegler		9,035	6,775
Of which attributable to minority interests		1,412	– 278
Items that may be reclassified to the income statement if certain conditions are met			
Exchange rate differences that arose during the fiscal year		– 1,391	3,303
Exchange rate differences from the translation of foreign business operations		**– 1,391**	**3,303**
Amount reposted to income statement		0	– 2
Deferred taxes		0	0
Financial assets available for sale		**0**	**– 2**
Deferred taxes		**0**	**0**
		– 1,391	**3,301**
Items that will not be reclassified to the income statement in the future			
Change in the actuarial profits (+) / losses (–) from performance-oriented pension commitments		1,178	– 2,675
Revaluation of the defined benefit obligation		**1,178**	**– 2,675**
Deferred taxes		**– 371**	**843**
		807	**– 1,832**
Other comprehensive income after taxes		**– 584**	**1,469**
Consolidated comprehensive income		**9,863**	**7,966**
Comprehensive income attributable to:			
Shareholders of Eckert & Ziegler AG		8,523	8,257
Minority interests		1,340	– 291

CONSOLIDATED BALANCE SHEET

€ thousand	Notes	As of Jan 1, 2013 (adjusted)	As of Dec 31, 2013 (adjusted)	As of Dec 31, 2014
Assets				
Non-current assets				
Goodwill	22.	31,122	34,906	38,321
Other intangible assets	22.	14,697	17,808	17,297
Property, plant and equipment	23.	31,158	33,542	36,119
Shares in at-equity investments	24.	0	3,439	5,323
Trade receivables	25.	1,886	2,853	368
Deferred tax assets	19.	9,104	10,105	9,465
Other non-current assets	26.	4,027	3,104	2,501
Total non-current assets		**91,994**	**105,757**	**109,394**
Current assets				
Cash and cash equivalents	27.	30,842	29,414	21,824
Securities	28.	22	22	0
Trade receivables	29.	20,115	20,277	23,401
Inventories	30.	15,466	17,778	24,322
Other current assets	31.	6,005	5,159	7,426
Non-current assets held for sale	23.	0	0	962
Total current assets		**72,450**	**72,650**	**77,935**
Total assets		**164,444**	**178,407**	**187,329**
Equity and Liabilities				
Capital and reserves	32.			
Subscribed capital		5,293	5,293	5,293
Capital reserves		53,500	53,500	53,500
Retained earnings		25,257	28,534	32,136
Other reserves		– 3,296	– 3,808	– 2,326
Own shares		– 27	– 27	– 27
Equity to which the shareholders of Eckert & Ziegler are entitled		**80,727**	**83,492**	**88,576**
Minority interests	20.	6,243	6,773	5,914
Total capital and reserves		**86,970**	**90,265**	**94,490**
Non-current liabilities				
Loans and financial lease liabilities	33.	9,773	17,572	7,279
Deferred income from grants and other deferred income (non-current)	34.	954	715	680
Deferred tax liabilities	19.	1,521	1,932	2,728
Provisions for pensions	35.	8,863	7,963	11,094
Other provisions	36.	20,627	23,991	23,637
Other non-current liabilities	37.	1,521	4,354	4,632
Total non-current liabilities		**43,259**	**56,527**	**50,050**
Current liabilities				
Loans and financial lease liabilities	33.	5,673	5,055	11,426
Trade payables		7,454	7,779	8,220
Advance payments received		2,344	2,241	3,090
Deferred income from grants and other deferred income	34.	92	104	117
Income tax liabilities		2,075	915	2,142
Other current provisions	36.	3,599	4,014	3,600
Other current liabilities	38.	12,978	11,507	14,194
Total current liabilities		**34,215**	**31,615**	**42,789**
Total equity and liabilities		**164,444**	**178,407**	**187,329**

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

Figures in € thousand excluding the number of subscribed capital	Subscribed capital: Number	Subscribed capital: Nominal value	Capital reserve	Retained earnings
Balance as of January 1, 2014	**5,292,983**	**5,293**	**53,500**	**28,534**
Total of expenditures and income recognized directly in equity	0	0	0	0
Net income				6,775
Net income	0	0	0	6,775
Dividends paid				– 3,173
Balance as of December 31, 2014	**5,292,983**	**5,293**	**53,500**	**32,136**

Figures in € thousand excluding the number of subscribed capital	Subscribed capital: Number	Subscribed capital: Nominal value	Capital reserve	Retained earnings
Balance as of January 1, 2013 prior to adjustment	**5,292,983**	**5,293**	**53,500**	**25,257**
Adjustments pursuant to IAS 8*	0	0	0	0
Balance as of January 1, 2013 after adjustments	5,292,983	5,293	53,500	25,257
Total of expenditures and income recognized directly in equity	0	0	0	0
Net income (adjusted)				9,035
Total income for the period	0	0	0	9,035
Dividends paid				– 3,173
Purchase/sale of minority interests				– 2,585
Balance as of December 31, 2013 (adjusted)	**5,292,983**	**5,293**	**53,500**	**28,534**

** the changes had no impact on the opening balance sheet, see Note 6.*

Cumulative other equity items						
Unrealized profit from securities available for sale	Unrealized profit from actuarial gains/losses	Foreign currency translation differences	Own shares	Equity attributable to shareholders Eckert & Ziegler Strahlen- und Medizin-technik AG	Minority interests	Consolidated Equity
2	**– 833**	**– 2,977**	**– 27**	**83,492**	**6,773**	**90,265**
– 2	– 1,832	3,316	0	1,482	– 13	1,469
				6,775	– 278	6,497
– 2	– 1,832	3,316	0	8,257	– 291	7,966
				– 3,173	– 568	– 3,741
0	**– 2,665**	**339**	**– 27**	**88,576**	**5,914**	**94,490**

Cumulative other equity items						
Unrealized profit from securities available for sale	Unrealized profit from actuarial gains/losses	Foreign currency translation differences	Own shares	Equity attributable to shareholders Eckert & Ziegler Strahlen- und Medizin-technik AG	Minority interests	Consolidated Equity
2	**– 1,640**	**– 1,658**	**– 27**	**80,727**	**6,243**	**86,970**
0	0	0	0	0	0	0
2	– 1,640	– 1,658	– 27	80,727	6,243	86,970
0	807	– 1,319	0	– 512	– 72	– 584
				9,035	1,412	10,447
0	807	– 1,319	0	8,523	1,340	9,863
				– 3,173	– 552	– 3,725
				– 2,585	– 258	– 2,843
2	**– 833**	**– 2,977**	**– 27**	**83,492**	**6,773**	**90,265**

CONSOLIDATED CASH FLOW STATEMENT

€ thousand	Notes	2013 (adjusted)	2014
Cash flow from operating activities	40.		
Net income		10,447	6,497
Adjustments for			
Depreciation, amortization and impairments		9,187	7,143
Income tax expense		1,824	5,299
Income tax payments		– 3,961	– 3,946
Income not affecting payments from the writing back of deferred grants		– 440	– 22
Loss from the disposal of fixed assets		39	12
Profit from the disposal of securities		–	– 3
Change in the non-current provisions, other current liabilities		4,132	– 336
Change in other non-current assets and receivables		351	1,701
Other events not affecting payments		– 3,993	– 1,408
Changes in the current assets and liabilities:			
Receivables		– 161	– 766
Inventories		– 2,064	– 5,149
Change in other current assets		2,888	– 1,470
Change in the current liabilities and provisions		– 3,574	3,101
Cash inflow from operating activities		**14,675**	**10,653**
Cash flow from investment activities	41.		
Expenditures on intangible assets and property, plant and equipment		– 9,650	– 7,815
Profit from the sale of intangible assets and property, plant and equipment		17	38
Expenditures on acquisitions (less cash and cash equivalents)		– 7,356	– 780
Expenditures for shares in entities consolidated at-equity		– 10	– 2,278
Expenditures on non-current assets		– 368	–
Profit from the disposal of securities		–	22
Cash outflow from investment activities		**– 17,367**	**– 10,813**
Cash flow from financing activities	42.		
Paid dividends		– 3,173	– 3,173
Distribution of shares of third parties		– 243	– 393
Cash inflows from the taking out of loans		11,853	2,962
Cash outflows from the redemption of loans		– 5,773	– 7,020
Purchase of equity instruments of subsidiaries		– 987	– 150
Received interest		707	433
Paid interest		– 733	– 1,206
Cash inflows/outflows from financing activities		**1,651**	**– 8,547**
Changes in the financial holdings owing to exchange rates		– 387	1,117
Decrease in the financial holdings		**– 1,428**	**– 7,590**
Financial holdings as of the beginnning of the period		**30,842**	**29,414**
Financial holdings as of the end of the period		**29,414**	**21,824**

The Executive Board approved the consolidated financial statements for submission to the Supervisory Board on March 16, 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEAR 2014

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") is a holding company whose specialized subsidiaries are engaged worldwide in the processing of radioisotopes and the development, manufacture, and sale of components based on isotope technology, irradiation equipment, and radiopharmaceuticals or of related products. The 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 (TUV 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 health care sector.

2 | FINANCIAL REPORTING PRINCIPLES

The consolidated financial statements of Eckert & Ziegler AG as of December 31, 2014 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 315 a (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, 2014. The consolidated income statement has been prepared in accordance with the cost of sales method. Total income for the period is presented in the statement of comprehensive income.

The company is registered with the Commercial Register at Berlin-Charlottenburg under the number HRB 64 997 B and the consolidated financial statements and the Group management report as of December 31, 2014 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, plant 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 book values with respect to the assumptions and estimates that underlie the calculation of the book values 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 and property, plant and equipment 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 in consideration of deferred taxes 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 are immediately included in consolidated net income.

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. Goodwill is not subject to scheduled amortization and is instead subjected to an impairment test at least once a year in accordance with the provisions of IAS 36.

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 capitalization criteria for internally generated intangible assets are all fulfilled in accordance with IAS 38. Capitalized development costs consist of all directly attributable 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 and amortized over their respective useful lives. The following useful lives are assumed for amortizable intangible assets:

	Internally generated	Acquired
Customer relationships	–	8 to 15 years
Capitalized development costs	3 to 10 years	–
Patents, trademarks, etc.	6 to 20 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, plant and equipment • Value impairments on intangible assets and property, plant 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. In the Radiation Therapy segment, the CGUs correspond to the segment. In the Isotope Products and Radiopharma segments, two cash-generating units were identified for each segment (VSU and Isotope Products without VSU as well as the cyclotron and equipment division).

The Executive Board considers amounts that exceed 10 % of the Group's total goodwill to be material. The CGUs of the Isotope Products without VSU 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 1 %, which does not exceed the expected average growth rate of the market or industry.

Discount rates are calculated based on the respective CGU's weighted cost of capital. 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 rates were determined 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 book value 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, plant and equipment • Property, plant and equipment are measured at acquisition or manufacturing cost less accumulated depreciation and impairment losses. The manufacturing costs of internally constructed equipment and systems include all direct costs, attributable manufacturing overhead, and financing costs – provided that the requirements defined under IAS 23 are met. 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, plant 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 determined in accordance with the estimated 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 13 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, plant and equipment were reassessed in 2013, 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, 2014. 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.

Non-current assets held for sale • Non-current assets are classified as held for sale if the associated book value is primarily realized through a sale transaction and not through continued use. This condition is only considered to be fulfilled if the non-current asset is available for immediate sale in its current condition and the sale is highly likely. The Executive Board must have committed to a sale. It must be assumed that the sale process will be completed within a period of one year of the asset being classified as held for sale.

Non-current assets classified as held for sale are valued at the lower of original carrying amount and the fair value less disposal costs.

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. Where necessary, the average cost method is applied in order to simplify valuation.

Value impairments for obsolete or excess inventory are made on the basis of an inventory analysis and future sales forecasts.

Trade receivables • Trade receivables are non-derivative financial assets with fixed or determinable payments, which are not listed on an active market. After their initial recognition, trade receivables are measured at amortized cost less value impairments. Gains or losses are recognized in the Group net income if the trade receivables are impaired.

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 a subsequent remeasurement of available-for-sale securities are recognized directly in equity less attributable deferred tax until the securities are sold or an objective impairment occurs. At this point, the cumulative gain or loss must be recognized in consolidated net income.

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, as the valuation unit is not recognized due to the lack of comprehensive documentation requirements.

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

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

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 cash and demand deposits and cash equivalents that can be converted into cash at short notice and are only subject to minor fluctuations in value (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 other consolidated 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 with a maturity of more than 12 months are discounted.

Provisions for restoration obligations and disposal obligations • 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 restoration obligations 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 isotope related waste.

Provisions with a maturity of more than 12 months are discounted.

Under IAS 37, provisions for restoration obligations are based on fair market value. 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 restoration 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, plant and equipment and provisions are adjusted accordingly.

In addition, radioactive waste arising from ongoing production and radioactive waste from third parties is recorded and valued at the expected cost of disposal or processing. These expenses are reported within cost of sales.

Leasing • If the prerequisites for a finance lease are satisfied, the leased assets in use are capitalized in accordance with IAS 17 as property, plant 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, on the condition that a contractual agreement exists at a fixed and determinable price and payment by the customer can be expected. No guarantees or rights of return are granted to the customer beyond 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 within other operating expenses 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. Amortization of capitalized development costs is reported within cost of sales. Development costs that cannot be capitalized are expenses when incurred and reported within other operating expenses.

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 book value 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 statement of profit or loss 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. Deferred taxes are reported within non-current assets / liabilities in accordance with IAS 12 and are not discounted.

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

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, plant and equipment, and development costs. They are released through profit and loss over the useful lives of the respective property, plant and equipment or intangible assets.

Earnings per share • Earnings or loss per share is calculated by dividing the consolidated 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 consolidated net income/loss 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, 2014.

New and revised standards relating to consolidation, joint arrangements, associates and disclosures in the notes

In May 2011, the IASB published a package of five standards:

- IFRS 10 Consolidated Financial Statements,
- IFRS 11 Joint Arrangements,
- IFRS 12 Disclosure of Interests in Other Entities,
- IAS 27 (2011) Consolidated and Separate Financial Statements
- IAS 28 (2011) Investments in Associates and Joint Ventures
- Offsetting Financial Assets and Financial Liabilities (amendment to IAS 32)
- Recoverable Amount Disclosures for Non-financial Assets (amendments to IAS 36)
- Novation of Derivatives and Continuation of Hedge Accounting (amendments to IAS 39)
- Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transitional Provisions (amendments to IFRS 10, IFRS 11 and IFRS 12)
- Investment Entities (amendments to IFRS 10, IFRS 12 and IFRS 27)

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 IFRS that are to be applied in the European Union stipulate that the requirements must be applied for fiscal years beginning on or after January 1, 2014. The major consequences of the application of these standards are presented as follows.

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

In fiscal year 2014, the following financial reporting standards and interpretations were applied for the first time. With the exception of IAS 28 (2011), none of these new financial reporting standards had a material effect on the assets, financial position, and financial performance or on earnings per share. The resulting changes to reporting and disclosure requirements were taken into account in the consolidated financial statements, especially in the consolidated statement of profit or loss and other comprehensive income, and the notes.

The major consequences of the application of these standards are presented as follows.

Effects of the application of IFRS 10 – Consolidated Financial Statements

IFRS 10 supersedes the previous provisions on consolidated financial statements in IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation – Special Purpose Vehicles. With IFRS 10, the IASB now establishes the principle of control as a standard principle. Under IFRS 10, control exists if all of the following three criteria are fulfilled:

(a) An entity must be able to exert power over the investment entity;
(b) It must be exposed to variable returns from its involvement and
(c) It must be able to use its power to affect the amount of the investor's returns.

Previously, control was defined as the opportunity to determine the financial and business policy of an entity to benefit from the entity's business activities. IFRS 10 also contains additional application guidelines that set forth when an entity can exert control over an investment entity. The guidelines on the question of whether or when an entity holding less than 50 % of voting rights can still exert control are not relevant to the company's consolidated financial statements.

Effects of the application of IFRS 11 – Joint Arrangements

IFRS 11 supersedes 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. In IFRS 11, joint arrangements are classified into just two types – joint operations and joint ventures.

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. The structure, the legal form of the arrangement, the contractual terms and conditions defined by the parties to the arrangement and, if necessary, any other relevant factors and circumstances are to be considered in classification. A joint operation exists when two or more entities conclude an agreement in which they have direct rights to the assets, and obligations for the liabilities. A joint venture is defined as a joint arrangement in which the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The previous IAS 31 defined three types of joint ventures – jointly controlled entities, jointly controlled operations and jointly controlled assets. Classification of joint ventures under IAS 31 was predominantly based on the legal form of the arrangement (e.g. a joint venture controlled as a separate legal entity was recognized as a jointly controlled entity).

A distinction is made between the recognition of joint operations and of joint ventures. Investments in joint ventures are to be recognized using the equity method (proportionate method of consolidation is no longer permitted). Joint operations are recognized in such a way that each joint operator recognizes in relation to its interest in a joint operation its assets (including its share of any liabilities incurred jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue (including from the sale of its share of the output of the joint operation), and its expenses (including its share of any expenses incurred jointly). These assets, liabilities, revenues and expenses are to be recognized in accordance with the relevant IFRSs. The application of IFRS 11 had no impact on the consolidated financial statements.

Effects of the application of IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 pools together disclosures in the notes on subsidiaries, joint arrangements, associates and/unconsolidated structured entities in a single standard. Essentially, IFRS 12 resulted in an extension of the notes to the consolidated financial statements of the company.

Effects of the application of amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities

The amendments to IFRS 10 define an investment entity. If an entity fulfills the definition of an investment entity, it is prohibited from consolidating its subsidiaries and is required to measure it at fair value through profit or loss.

The subsequent amendments to IFRS 12 and IAS 27 include new disclosure obligations for investment entities. The Executive Board does not believe that these amendments have any effects on the consolidated financial statements, as the company does not fulfill the definition of an investment entity.

Effects of the application of IAS 27 – Separate Financial Statements (2011)

IAS 27 was amended as a result of the new consolidation standards (IFRS 10, IFRS 11). Due to the publication of the new IFRS 10, IAS 27 only contains guidelines on the recognition of and disclosures in the notes relating to subsidiaries, joint ventures and associates in separate financial statements under IFRS.

Given that the standard related to separate financial statements, its application had no effect on the consolidated financial statements.

Effects of the application of IAS 28 – Investments in Associates and Joint Ventures (2011)

IAS 28 (2011) supersedes the previous provisions of IAS 28 Investments in Associates (2003). IAS 28.13 (2011) stipulates that, under certain circumstances, an entity's shares in an associate are determined in consideration of the possible use or conversion of potential voting rights.

In the case of the first-time application of IAS 28 (2011), the Executive Board came to the conclusion that Eckert & Ziegler Strahlen- und Medizintechnik AG already has a right, through its share and option contract with ELSA Eckert Life Science Accelerator GmbH, to the revenues resulting from the latter's shares in OctreoPharm Science GmbH. The potential shares are therefore to be recognized under the equity method. Previously, the loan and option contract had been measured at fair value through profit and loss as a derivative financial instrument.

Quantitative effects of the application of IAS 28 (2011)

IMPACT ON NET PROFIT

€ thousand	2013
Reduction in the result of interests measured at-equity	– 63
Reduction in result from financial investments measured at fair value	– 564
Reduction in income tax expenses	171
Change in net profit	**– 456**
The change in net profit is allocated to:	
Shareholders of Eckert & Ziegler AG	– 456
Non-controlling shareholders	0

EFFECTS ON NET ASSETS AND EQUITY AS OF DECEMBER 31, 2013

€ thousand	31.12.13 (as stated)	Adjustments based on IAS 28	31.12.13 (adjusted)
Interests in investmens measured at-equity	493	1,437	1,930
Other non-current assets	– 63	– 2,064	– 2,127
Deferred taxes	9,937	171	10,108
Total impact on net assets	**10,367**	**– 456**	**9,911**
Non-controlling shareholders	0	0	0
Total impact on net assets	**10,367**	**– 456**	**9,911**

Effects of the application of the amendment to IAS 32 – Offsetting Financial Assets and Financial Liabilities

Amendments to IAS 32 clarify existing application issues relating to financial asset and liability offsetting requirements. Specifically, the amendments clarify the meaning of "currently has a legal enforceable right of set-off" and "simultaneous realization and settlement."

The application of these amendments had no effect on the consolidated financial statements, as the Group has no financial assets and liabilities for which offsetting is permitted.

Effects of the application of the amendment to IAS 36 – Recoverable Amount Disclosures for Non-financial Assets

These amendments concern the correction of disclosure requirements, which were amended in relation to IFRS 13 to a greater extent than intended. The amendments concern impaired assets of which the recoverable value equates to the fair value less disposal costs. At the current time, the recoverable value is to be disclosed regardless of whether an impairment exists or not. The correction limits disclosure requirements to actual cases of impairment, but broadens the necessary disclosures in such cases.

The application of the amendments had no impact on the consolidated financial statements.

Effects of the application of the amendment to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting

As a result of these amendments, derivatives remain designated hedging instruments in hedge accounting under certain circumstances, despite the novation. A novation indicates an event where the original parties to a derivative agree that a clearing counterparty replaces their original counterparty to become the new counterparty to each of the parties. In order to benefit from the amended guidance, novation to a central counterparty must happen as a consequence of laws or regulations or the introduction of laws or regulations. In addition, amendments to contractual provisions may only concern areas necessary within the scope of the novation. The objective of the amendments is to avoid any impact on an entity's measurement of hedging relationships from derecognizing the derivative, following its novation.

The application of the amendments had no effect on the consolidated financial statements, as existing derivatives are not measured within the scope of hedging transactions.

Effects of the application of amendments to IFRS 10, IFRS 11 and IFRS 12 – Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transitional Provisions

The amendments serve to clarify the first-time application of IFRS 10 and contain additional easements in all standards in the consolidation package. In addition, the adjustment of comparable figures and in the reporting process of more than one comparable period is only required for the (immediately preceding) prior period.

The application of the amendments had no material impact on the consolidated financial statements.

Published but not-yet-compulsory standards and interpretations:

The following new and/or revised standards and interpretations have already been resolved by the IASB, but have yet to enter into force. The company has not implemented the regulations in advance in these consolidated 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, 2018 *	January 1, 2018	undetermined
IFRS 14	Regulatory Deferral Accounts	January 1, 2016 *	January 1, 2016	none
IFRS 15	Revenue from Contracts with Customers	January 1, 2017 *	January 1, 2017	undetermined
Amendments to IFRS 10 and IAS 28	Disposal of addition of assets between an investor, associates or joint venture	January 1, 2016 *	January 1, 2016	none
Amendments to IFRS 11	Reporting acquisitions of shares in a joint venture	January 1, 2016 *	January 1, 2016	immaterial
Amendments to IAS 16 and IAS 38	Clarifying acceptable methods of depreciation	January 1, 2016 *	January 1, 2016	none
Amendments to IAS 16 and IAS 41	Agriculture: Fruit-bearing plants	January 1, 2016 *	January 1, 2016	none
Amendments to IAS 19	Defined benefit plans: Employee benefits	July 1, 2014 *	January 1, 2015	immaterial
Amendments to IAS 27	Application of equity method in separate financial statements	January 1, 2016 *	January 1, 2016	none
IFRIC 21	Levies	January 1, 2014 **	January 1, 2015	none
Annual improve-ments to IFRS	Cycle 2010 – 2012	July 1, 2014 *	January 1, 2015	immaterial
Annual improve-ments to IFRS	Cycle 2011 – 2013	July 1, 2014 *	January 1, 2015	immaterial
Annual improve-ments to IFRS	Cycle 2012 – 2014	January 1, 2016 *	January 1, 2016	immaterial

** Outstanding EU endorsement.*
*** Different date of entry into effect due to EU endorsement: June 17, 2014*

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments includes requirements for recognition and measurement, derecognition and general hedge accounting. The IASB published the final version of the standard as part of the completion of various phases of its extensive financial instruments project on July 24, 2014. The measurement of financial instruments previously defined under IAS 39 Financial Instruments: Recognition and Measurement can now be superseded in full by measurement under IFRS 9. The published version of IFRS 9 supersedes all previous versions. The main requirements of the final version of IFRS 9 can be summarized as follows:

- The requirements of IFRS 9 in relation to the area of application and recognition/derecognition are largely unchanged from the previous standard IAS 39 Financial Instruments: Recognition and Measurement.
- However, in contrast to IAS 39, IFRS 9 does provide for a new classification model for financial assets.
- In future, the subsequent remeasurement of financial assets will be based on three categories with different value measures and different methods of recognizing value changes. Categorization is based both on the instrument's contractually agreed cash flows as well as on the business model in which the instrument is held. In principle, these are therefore compulsory categories. The company is also entitled to make use of certain options.
- In terms of financial liabilities, existing regulations were largely transferred to IFRS 9. The only major new feature relates to financial liabilities in the fair value option. For these, fair value fluctuations are to be recognized in other comprehensive income due to a change in the reporting entity's own default risk.
- IFRS 9 provides for three levels, which determine the amount of the losses and received interest to be recognized. Under this system, expected losses are to be recognized at addition in the amount of the cash value of an expected 12-month loss (level 1). If there is a significant rise in the default risk, risk provisioning is to be increased to the amount of the expected losses for the entire residual term (level 2). In the event of an objective indication of value impairment, the interest accrual takes place on the basis of the net book value (book value less risk provisioning) (level 3).
- Aside from extensive transitional provisions, IFRS 9 also contains extensive disclosure obligations both during the transitional phase as well as during ongoing application. New features compared to IFRS 7 Financial Instruments: Disclosures in the Notes mainly refer to value impairment regulations.

The Executive Board assumes that the future application of IFRS 9 will have no material effect on the presentation of the Group's financial assets and financial liabilities. However, a realistic assessment of the effects of IFRS 9's application can only be made once a detailed analysis has been carried out.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for regulatory deferral account balances in accordance with its previous GAAP. This applies both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required.

The Executive Board does not believe that these amendments will have any effect on the consolidated financial statements, as the company has no regulatory deferral accounts.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies how and when an IFRS reporter will recognize revenue. It also requires reporters to provide users of financial statements with more informative, relevant disclosures. IFRS 15 essentially applies to all contracts with customers, with the exception of the following contracts:

- Leasing relationships that fall under IAS 17 Leases;
- Financial instruments and other contractual rights or obligations that fall under IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IAS 27 Separate Financial Statements or IAS 28 Investments in Associates and Joint Ventures;
- Insurance contracts within the scope of IFRS 4 Insurance Contracts; and
- non-financial swaps between entities in the same sector, which are aimed at easing sales transactions to customers or potential customers.

In contrast to previous regulations, the new standard provides a single, principles-based five-step model to be applied to all contracts with customers. In this five-step model, the contract with the customer is to be identified first of all (step 1). Step 2 consists of identifying the performance obligations in the contract. The transaction price is subsequently determined (step 3), with explicit provisions governing treatment of variable considerations, financing components, payments to customers and swap transactions. Once the transaction price has been determined, the transaction price is allocated to the performance obligations in the contract (step 4). This process is based on the standalone selling prices of the individual performance obligations. The final step (step 5) involves the recognition of revenue when (or as) the entity satisfies a performance obligation. Revenue is recognized as control of the goods or service is transferred to the customer.

When a contract is concluded, it is to be determined in accordance with IFRS 15 whether the revenue resulting from the contract is to be recognized at a certain point in time or over a certain period of time. The first step is to clarify using certain criteria whether control over the performance obligation is transferred over a period of time. If this isn't the case, the revenue is to be recognized at the point in time in which control is transferred to the customer. Indicators of such a transfer include the transfer of the legal title to the asset, the transfer of material risks and rewards and official acceptance. If, however, control is transferred over a period of time, revenue may only be recognized over time to the extent that the progress towards complete satisfaction of a performance obligation can be accurately measured using input- or output-oriented methods. Aside from general revenue recognition principles, the standard also includes detailed implementation guidelines on subjects such as sales with a right of return, customer options for additional goods or services, principal versus agent consideration and bill-and-hold arrangements. New guidelines on the costs of fulfilling and obtaining a contract have also been added to the standard, as well as guidelines on the question of when these costs are to be capitalized. Costs that do not fulfill the specified criteria are to be recognized as expenses.

Lastly, the standard also contains new, more detailed provisions in relation to disclosures that must be made on revenue in the financial statements of an IFRS reporter. These include qualitative and quantitative disclosures on the following points:

- its contracts with customers,
- the significant judgments, and changes in the judgments, made in applying the guidance to those contracts; and
- any assets recognized from the costs to obtain or fulfill a contract with a customer.

Due to the extensive changes arising from IFRS 15, the company's Executive Board anticipates that major adjustments may be required in the areas of "internal controls" and IT architecture.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

These amendments address a conflict between the provisions of IAS 28 Shares in Associates and Joint Ventures and IFRS 10 Consolidated Financial Statements. This clarifies that, in the case of a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business pursuant to IFRS 3.

So far, transactions with associates or joint ventures in the Group have not included a business in the sense of IFRS 3, rather only individual assets. The Executive Board therefore assumes that the amendments to IFRS 10 and IAS 28 will not have any effect on consolidated net income.

Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations

The amendments to IFRS 11 include guidelines on how to recognize the acquisition of interests in joint operations if these joint operations constitute a business in the sense of IFRS 3. In this case, all principles relating to the recognition of business combinations in IFRS 3 and other IFRSs are to be applied as long as they do not contradict the guidelines in IFRS 11.

The amendments are to be applied to the acquisition of interests in an existing joint operation and to the acquisition of interests in joint operations at its foundation, as long as the establishment of the joint operation does not result in the establishment of the business. It is not assumed at the current time that the amendments to IFRS 11 will have a material effect on the consolidated financial statements.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortization

The amendment to IAS 16 clarifies that revenue-based methods of depreciation and amortization are not appropriate for property, plant and equipment. The amendment to IAS 38 includes the addition of a rebuttable presumption that a revenue-based amortization method for intangible assets is inappropriate. This presumption can only be rebutted in the following two cases:

a) If the intangible asset can be expressed as a measure of revenue. This would be the case if the term of a contract for the mining of natural resources was not coupled to a certain period of time, rather to the total revenue generated from mining the natural resources.

b) If revenue and the consumption of economic benefits of the intangible asset are highly correlated.

The Executive Board believes that the straight-line method of amortization and depreciation reflects the consumption of the economic benefit most closely. It is therefore not assumed that the Group will be affected by the amendments to IAS 16 and IAS 38.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments bring bearer plants, which are used solely to grow produce, into the scope of IAS 16 so that they are accounted for in the same way as property, plant, and equipment. For the purpose of bringing bearer plants from the scope of IAS 41 into the scope of IAS 16 and therefore enabling entities to measure them at cost subsequent to initial recognition or at revaluation, a definition of a "bearer plant" is introduced into both standards.

As the Group's business model is not based on bearer plants, this amendment is not expected to have any effect on the consolidated financial statements.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

These amendments clarify how employee contributions or third-party contributions to defined benefit plans are to be recognized. The method of recognition depends on whether the contributions are based on the number of years of service or not. In addition, a solution is granted to ease the recognition process if the amount of the contributions is not based on the number of years of service. If the amount of the contributions is independent of the number of years of service, the contributions can be measured as a reduction of service period cost in the period in which the corresponding service is performed or distributed across the employee's period of service using the projected unit credit method.

If the amount of the contributions is based on the number of years of service, the contributions must be allocated to the service periods. The company does not currently believe that the amendments to IAS 19 will have any major effects on the consolidated financial statements.

Amendments to IAS 27 Equity Method in Separate Financial Statements

These amendments introduce the equity method as an option for recognizing interests in subsidiaries, joint ventures and associates in the separate financial statements of an investor. The amendments allow an entity to account for investments in subsidiaries, joint ventures, and associates in its separate financial statements:

a) At cost,
b) In accordance with IFRS 9 Financial Instruments,
c) Using the equity method as described in IAS 28, Investments in Associates and Joint Ventures.

The amendments to IAS 27 do not have any effect on the consolidated financial statements, as the option concerns an entity's separate financial statements.

IFRIC 21 Levies

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government (e.g. bank levies). The obligating event for the recognition of a liability is recognized as the activity that triggers the payment of the levy in accordance with the relevant legislation. Only when the obligating event takes place are levies to be recognized in the balance sheet. The obligating event can also occur successively over a period of time, meaning that the liability is to be recognized on a pro rata basis.

The Executive Board expects that IFRIC 21 will have no effect on the consolidated financial statements because the Group is not currently subject to any corresponding levies.

The annual improvements to IFRSs involve amendments to a number of different standards. The amendments are presented as follows in table form:

ANNUAL IMPROVEMENTS 2010 – 2012 CYCLE

Standard	Type of amendment	Details of amendment
IFRS 2 Share-based Payments	Definition of vesting condition	Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition').
IFRS 3 Business Combinations	Accounting for contingent consideration in a business combination	Clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date.
IFRS 8 Operating Segments	Aggregation of operating segments	Requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments.
	Reconciliation of the total of the reportable segments' assets to the entity's assets	Clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.
IFRS 13 Fair Value Measurement	Short-term receivables and payables	Clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.
IAS 16 Property, Plant and Equipment	Revaluation method – proportionate restatement of accumulated depreciation	Clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.
IAS 24 Related Party Disclosures	Key management personnel	Clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.
IAS 38 Intangible Assets	Revaluation method – proportionate restatement of accumulated depreciation	Clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

ANNUAL IMPROVEMENTS 2011 – 2013 CYCLE

Standard	Type of amendment	Details of amendment
IFRS 1 First-time Adoption of International Financial Reporting Standards	Meaning of effective IFRSs	Clarifies that an entity, in its first IFRS financial statements, has the choice between applying an existing and currently effective IFRS or applying early a new or revised IFRS that is not yet mandatorily effective, provided that the new or revised IFRS permits early application. An entity is required to apply the same version of the IFRS throughout the periods covered by those first IFRS financial statements.
IFRS 3 Business Combinations	Scope of exception for joint ventures	Clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.
IFRS 13 Fair Value Measurement	Scope of paragraph 52 (portfolio exception)	Clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.
IAS 40 Investment Property	Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property	Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other.

ANNUAL IMPROVEMENTS 2012 – 2014 CYCLE

Standard	Type of amendment	Details of amendment
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	Changes in methods of disposal	Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.
IFRS 7 Financial Instruments: Disclosures	Servicing contracts	Adds additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required.
	Applicability of the amendments to IFRS 7 to condensed interim financial statements.	Clarifies the applicability of the amendments to IFRS 7 on offsetting disclosures to condensed interim financial statements.
IAS 19 Employee Benefits	Discount rate: regional market issue	Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level).
IAS 34 Interim Financial Reporting	Disclosure of information 'elsewhere in the interim financial report'	Clarifies the meaning of 'elsewhere in the interim report' and requires a cross-reference.

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 and contingent 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 immediately after review through profit and loss in the income statement.

All significant receivables and liabilities as well as assets and liabilities and interim results between affiliated companies have been eliminated within the consolidation. Joint ventures and associates are included in the consolidated financial statements according to the equity method. Shares of earnings attributable to non-controlling interests are recognized separately in the consolidated net income from the period.

SCOPE OF CONSOLIDATION

The consolidated financial statements of Eckert & Ziegler AG include all entities over which the company can exert an influence and from which the company obtains variable returns, which it can influence on account of its control (control concept). The companies included in the consolidated financial statements as of December 31, 2014 were:

	Share of voting rights
Eckert & Ziegler BEBIG S. A., Seneffe, Belgium ***	80.2 %
Eckert & Ziegler BEBIG GmbH, Berlin *	80.2 %
Eckert & Ziegler Iberia SLU, Madrid, Spanien *	80.2 %
Eckert & Ziegler Italia s. r. l., Milan, Italy *	80.2 %
Eckert & Ziegler BEBIG S. a. r. l., Paris, France *	80.2 %
Eckert & Ziegler BEBIG Ltd., Didcot, GB *	80.2 %
Eckert & Ziegler BEBIG Inc., Oxford (Connecticut), USA *	80.2 %
Mick Radio-Nuclear Instruments Inc., Mt. Vernon (New York), USA *	80.2 %
Eckert & Ziegler BEBIG do Brasil Ltda., Fortaleza, Brazil *	80.2 %
OOO "Eckert & Ziegler BEBIG", Moscow, Russia *	80.2 %
Eckert & Ziegler Isotope Products Holdings GmbH, Berlin	100 %
Chemotrade Chemiehandelsgesellschaft mbH, Düsseldorf	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 to Brasil Participacoes Ltda., São Paulo, Brasilien *	100 %
Eckert & Ziegler Brazil Comercial Ltda., São Paulo, Brazil *	100 %
Eckert & Ziegler Radiopharma GmbH, Berlin	100 %
Eckert & Ziegler EUROTOPE GmbH, Berlin *	100 %
Eckert & Ziegler EURO-PET Berlin GmbH, Berlin *	100 %
BSM Diagnostica Gesellschaft m. b. H., Vienna, Austria *	100 %
Eckert & Ziegler f-con Deutschland GmbH, Holzhausen *	99.1 %
Eckert & Ziegler EURO-PET Köln / Bonn GmbH, Bonn *	99.1 %
Eckert & Ziegler EURO-PET Warszawa sp. z o. o., Warsaw, Poland *	99.1 %
Eckert & Ziegler Radiopharma Inc., Hopkinton, USA *	100 %
Eckert & Ziegler Umweltdienste GmbH, Braunschweig	100 %
Eckert & Ziegler Environmental Services Ltd., Didcot, GB *	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, 2014, Eckert & Ziegler AG held 80.2 % of the voting rights in Eckert & Ziegler BEBIG S.A., which corresponds to 74.6 % 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 2014. (The acquisitions are presented in Note 43):

- In fiscal year 2014, Eckert & Ziegler Isotope Products Holdings GmbH established a subsidiary (Eckert & Ziegler Brasil Participacoes Ltda.) in Sao Paulo, Brazil, and concluded a contract to acquire 100 % of shares in Brazilian company TOF Comercial Ltda. on March 19, 2014 through this company. Following this acquisition, the company was renamed Eckert & Ziegler Brazil Comercial Ltda. The acquisition was completed to reinforce the Isotope Products segment's growth strategy in South America, as the acquired company possessed an extensive network of sales sites and all necessary local approvals for handling isotope materials.
- Effective as of January 1, 2014, Isotron Isotopentechnik GmbH (Berlin, Germany) was merged with Eckert & Ziegler BEBIG GmbH, Berlin, Germany.
- Effective as of January 1, 2014, Kompetenzzentrum für sichere Entsorgung GmbH, Berlin, Germany, was merged with Eckert & Ziegler Umweltdienste GmbH (Braunschweig, Germany).
- Effective as of January 1, 2014 MEDPRO Vertrieb für medizinisch-diagnostische Produkte Gesellschaft m.b.H., Vienna, Austria was merged with BSM Diagnostica Gesellschaft m.b.H., Vienna, Austria.

The following interests in companies were purchased or changes to the scope of consolidation were made in fiscal year 2013. (The acquisitions are presented in Note 43):

- In February 2013, Eckert & Ziegler Isotope Products Holdings GmbH acquired all shares in Chemotrade Chemiehandelsgesellschaft mbH, Düsseldorf, Germany.
- In May 2013, Eckert & Ziegler Umweltdienste GmbH founded a subsidiary in Didcot (GB) and, through this company, acquired the Waste Disposal segment of Energy Solutions EU in June 2013.
- Effective as of July 1, 2013, Eckert & Ziegler Radiopharma GmbH acquired all shares in Austrian company BSM Diagnostica Gesellschaft m.b.H. including both of its subsidiaries Comtech Laborgeräte GmbH and MEDPRO Vertrieb für medizinisch-diagnostische Produkte Gesellschaft m.b.H., each of which is based in Vienna, Austria.
- In November 2013, Eckert & Ziegler BEBIG Inc. acquired the Brachytherapy segment of US company Biocompatibles Inc.
- In November 2013, Eckert & Ziegler BEBIG Inc. acquired all shares in US company Mick Radio-Nuclear Instruments Inc.

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 profit or loss 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 book value of the "at-equity" interest on the balance sheet, the book value 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 book value of the interest in the joint venture (maximum loss up to the book value of the interest).

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 statement of profit or loss 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 in the income statement.

The following exchange rates were used for the currency translation:

Country	Currency	Dec. 31, 2014	Dec. 31, 2013	Average rate 2014	Average rate 2013
USA	USD	1.2141	1.3791	1.3285	1.3281
CZ	CZK	27.7350	27.4270	27.5359	25.9129
GB	GBP	0.7789	0.8337	0.8061	0.8493
PL	PLN	4.2732	4.1543	4.1843	4.1745
RU	RUB	72.3370	44.8968	50.9518	40.6783
BR	BRL	3.2207	3.2504	3.1211	2.6641

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

The changes in the scope of the consolidation during fiscal years 2014 and 2013 have affected the Group's net assets and results of operations, in part impairing the comparability of the consolidated balance sheet, the consolidated income statement and the statements of other comprehensive income with the prior year.

6 | DISCLOSURES PURSUANT TO IAS 8 – CHANGES TO ACCOUNTING-RELATED ESTIMATES AND ERRORS

In fiscal years 2014 and 2013, the Group changed its estimates and corrected errors in the following areas:

a) **Reporting corrections**
In the 2013 financial statements, current provisions for pensions of € 403 thousand and current liabilities from concluded interest swaps of € 134 thousand were reported in the balance sheet under current liabilities. However, as provisions for pensions and for liabilities from interest swaps constitute non-current liabilities and no separate reporting of the current share of these non-current liabilities is required under IAS, the corresponding amounts were reported in full under non-current liabilities in the 2014 consolidated financial statements. The prior year's balance sheet has been adjusted accordingly.

Research and development costs of € 4,865 thousand were reported in a separate line of the income statement in the 2013 consolidated financial statements. IAS 1.103 does not specify any particular structure for the income statement in accordance with the cost of sales method. In accordance with IASB, research and development costs are not to be presented separately under the cost of sales method, and therefore non-capitalized research and development costs are now reported under other operating expenses and explained accordingly in the notes to the consolidated financial statements. The prior year's income statement has been adjusted accordingly.

According to IAS 10.12, dividends declared but not yet paid out as of the balance sheet date are to be recognized as liabilities. At the Group, this applies to the declared dividend to non-controlling shareholders in the Isotope Products segment in the amount of € 309 thousand as of December 31, 2013, which had previously been recognized in the balance sheet under non-controlling interests. The corresponding liabilities are now recognized under other current liabilities; the prior year's balance sheet has been adjusted accordingly.

b) Recognition of interest in OctreoPharm Sciences GmbH

In June 2013, Eckert & Ziegler Radiopharma GmbH acquired shares in OctreoPharm Sciences GmbH as well as an option on further shares in the company. From the loan and share option agreement concluded in September 2012 with Eckert Wagniskapital-und Frühphasenfinanzierung GmbH, the Group also has the option to acquire further shares in OctreoPharm Sciences GmbH.

In the prior year, the Executive Board recognized the transactions relating to the acquisition of the interest on the assumption that a reliable fair value measurement was possible for the options. The fair value measurement of the options using a Black-Scholes option price model in fiscal year 2013 resulted in earnings of € 2,799 thousand. The acquired interests were recognized at cost of € 610 thousand, of which € 10 thousand was paid in cash and € 600 thousand through the contribution of a sublicensing agreement. In relation to this, an amount of € 600 thousand was reclassified from intangible assets to investments valued at equity outside profit and loss. The loss allocation for the at-equity investment in OctreoPharm Sciences GmbH came to € 117 thousand.

During the preparation of the 2014 consolidated financial statements, a further critical assessment was made of the entire process of recognizing transactions relating to the acquisition of interests. In this assessment, it was found that the fair value of the options could not be reliably determined – contrary to original assumptions – due to the fact that the Black-Scholes option price model was not suited to the circumstances at hand and the parameters required for the Monte Carlo simulation could not be reliably determined either. Alongside a cash contribution of € 19 thousand and the waiver of receivables of € 600 thousand, Eckert & Ziegler Radiopharma GmbH also contributed a sublicensing agreements to OctreoPharm Sciences GmbH for the acquisition of shares and the option on further shares.

The received options were measured at addition at their intrinsic value of € 646 thousand, whereby the calculation of the intrinsic value was based on the price paid by a third-party investor for shares in OctreoPharm Sciences GmbH at the same time.

The value of the received shares stood at € 2,841 thousand. The calculation of this value was again based on the purchase price paid by a third party. As a result, Eckert & Ziegler Radiopharma GmbH generated a profit of € 2,868 thousand from the swap transaction. Given that profit resulted from "upstream" transactions between the Group and the investment measured at-equity, the profit was adjusted for the interim profit it included of € 719 thousand in accordance with IAS 28.28. The acquisition costs of the investment valued at-equity therefore stood at € 2,122 thousand.

The mandatory adoption of the new IAS 28 (2011), effective as of January 1, 2014, also resulted in a number of other changes relating to the recognition of Eckert & Ziegler AG's share and option contract with Eckert Wagniskapital- und Frühphasen-finanzierung GmbH, as the Group already exerts present access over the shares linked to the option (for more details see "Effects of the application of IAS 28 – Investments in Associates and Joint Ventures (2011)"). The loan and share option agreement, previously recognized as a non-current asset, was therefore reclassified to the investment valued at-equity in the amount of the acquisition costs of € 1,500 thousand. Therefore the Group held a total of 25.1 % of shares in OctreoPharm Sciences GmbH as of December 31, 2013, meaning that the at-equity loss share for the second half of 2013 amounted to € 183 thousand.

The effects of the reporting corrections detailed above and the change to the recognition of the investment in OctreoPharm Sciences GmbH are as follows:

The changes had no material influence on the Group's net assets and equity as of January 1, 2013 and as of December 31, 2013, and also had no material influence on the cash flows for fiscal year 2013.

The material effects of these changes are limited to how individual items in the balance sheet, income statement and statement of changes in non-current assets are reported and are presented as follows.

BALANCE SHEET

	31.12.2013 € thousand (as reported)	Reporting corrections	Changes OPS recognition	31.12.2013 € thousand (adjusted)
ASSETS				
Non-current assets				
Goodwill	34,906			34,906
Other intangible assets	17,744		64	17,808
Property, plant and equipment	33,542			33,542
Shares in at-equity investments	493		2,946	3,439
Trade receivables	2,853			2,853
Deferred tax assets	9,937		168	10,105
Other non-current assets	6,785		– 3,681	3,104
Total non-current assets	**106,260**	**0**	**– 503**	**105,757**
Current assets				
Cash and cash equivalents	29,414			29,414
Securities	22			22
Trade receivables	20,277			20,277
Inventories	17,778			17,778
Other current assets	5,159			5,159
Total current assets	**72,650**	**0**	**0**	**72,650**
Total assets	**178,910**	**0**	**– 503**	**178,407**

BALANCE SHEET

	31.12.2013 € thousand (as reported)	Reporting corrections	Changes OPS recognition	31.12.2013 € thousand (adjusted)
EQUITY AND LIABILITIES				
Capital and reserves				
Subscribed capital	5,293			5,293
Capital reserves	53,500			53,500
Retained earnings	28,588			28,588
Other reserves	– 3,808		– 54	– 3,862
Own shares	– 27			– 27
Equity to which the shareholders of Eckert & Ziegler are entitled	**83,546**	**0**	**– 54**	**83,492**
Minority interests	7,082	– 309		6,773
Total capital and reserves	**90,628**	**– 309**	**– 54**	**90,265**
Non-current liabilities				
Loans lease liabilities	17,572			17,572
Deferred income from grants and other deferred income	715			715
Deferred tax liabilities	2,381		– 449	1,932
Provisions for pensions	7,560	403		7,963
Other provisions	23,991			23,991
Other non-current liabilities	4,220	134		4,354
Total non-current liabilities	**56,439**	**537**	**– 449**	**56,527**
Current liabilities				
Loans lease liabilities	5,055			5,055
Trade payables	7,779			7,779
Advance payments received	2,241			2,241
Deferred income from grants and other deferred income	104			104
Income tax liabilities	915			915
Provisions for pensions	403	– 403		0
Other current provisions	4,014			4,014
Other current liabilities	11,332	175		11,507
Total current liabilities	**31,843**	**– 228**	**0**	**31,615**
Total equity and liabilities	**178,910**	**0**	**– 503**	**178,407**

INCOME STATEMENT

	2013 € thousand (as reported)	Reporting corrections	Changes OPS recognition	2013 € thousand (adjusted)
Revenues	117,138			117,138
Cost of sales	– 60,063			– 60,063
Gross profit on sales	**57,075**	**0**	**0**	**57,075**
Selling expenses	– 21,933			– 21,933
General administration costs	– 23,939			– 23,939
Research and development costs	– 4,865	4,865		0
Other operating income	5,665		2,131	7,796
Other operating expenses	– 1,301	– 4,865	64	– 6,102
Operating profit	**10,702**	**0**	**2,195**	**12,897**
Results from shares measured at equity	– 117		– 66	– 183
Results of financial investments measured at fair value	**2,799**		**– 2,799**	**0**
Exchange rate gains	179			179
Exchange rate losses	– 748			– 748
Earnings before interest income and income taxes (EBIT)	**12,815**	**0**	**– 670**	**12,145**
Interest income	1,314			1,314
Interest expenses	– 1,188			– 1,188
Income before income taxes	**12,941**	**0**	**– 670**	**12,271**
Income taxes	– 2,440		616	– 1,824
Net income	**10,501**	**0**	**– 54**	**10,447**
Profit attributable to minority interests	1,412			1,412
Dividend to shareholders of Eckert & Ziegler AG	9,089	0	– 54	9,035
Earnings per share				
Undiluted (EUR per share)	**1.72**	**0.00**	**– 0.01**	1.71
Diluted (EUR per share)	**1.72**	**0.00**	**– 0.01**	**1.71**
Shares in circulation on average (undiluted – in thousand units)	5,288	5,288	5,288	5,288
Shares in circulation on average (diluted – in thousand units)	5,288	5,288	5,288	5,288

STATEMENT OF CHANGES IN FIXED ASSETS

	Acquired intangible assets	
€ thousand	Acquisition costs	Depreciation
Additions as of 31.12.2013 (as reported)	2,284	1,187
Changes OPS recognition	600	536
Additions as of 31.12.2013 (adjusted)	2,884	1,723

c) **Change to the useful life of certain tangible assets (2013)**
Isotope Products, Radiopharma, and Environmental Services segments: In August 2013, the existing rental agreement for one operating location for the aforementioned segments ended. In relation to the immediate conclusion of a new long-term rental agreement, the Executive Board critically examined the estimated useful lives of the property, plant and equipment of the operating location concerned. On this basis, the estimated useful lives for the leasehold improvements and technical plants were extended by approximately five years. At the same time, provisions for the necessary restoration and disposal of machines at the end of the useful lives were recalculated in consideration of cost developments. This resulted in an increase in provisions for restoration obligations as of December 31, 2013 of € 330 thousand, as well as a corresponding rise in property, plant and equipment of € 288 thousand. In subsequent periods, the changes to the useful lives and the restoration costs will have an impact on depreciation, which is predominantly recognized in the cost of sales, and interest expense as follows:

€ thousand	2014	2015	2016	2017	Thereafter
Increase (–)/reduction) (+) in depreciation	– 55	– 55	37	61	142
Interest expenditure	15	15	15	15	15

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 and long-term production orders. Revenues improved in fiscal year 2014 from € 117,138 thousand to € 127,256 thousand. The increase in 2014 was the result of organic sales growth of € 1.5 million and sales growth of € 8.6 million from acquisitions.

Revenues are broken down as follows:

€ thousand	2014	2013
Revenues from the sale of goods	116,986	107,189
Revenues from the provision of services	9,970	9,849
Revenues from production orders	300	100
Total	**127,256**	**117,138**

The sale of goods and provision of services results in revenues from the transfer of economic ownership.

In fiscal year 2014, the Group completed a project relating to the construction of a production system for third parties that began in 2010 and generated revenues of € 300 thousand (2013: € 100 thousand) from production orders in line with the POC method. The cost-to-cost method was applied to determine the degree of completion.

€ thousand	2014	2013
Revenues	300	100
Order costs	– 50	– 10
Income from the release of provisions	0	200
Profit	250	290
Balance on the liabilities sheet	0	0

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 came to € 33,481 thousand in 2014 and € 28,919 thousand in 2013.

9 | SELLING EXPENSES

Selling expenses are broken down as follows:

€ thousand	2014	2013
Personnel and employee benefit costs	10,864	9,387
Costs of goods issue	6,378	5,091
Advertisement	1,358	1,450
Depreciation	1,166	2,049
Commissions	641	1,187
Other	3,169	2,769
Total	**23,576**	**21,933**

10 | GENERAL ADMINISTRATIVE COSTS

General administrative costs include:

€ thousand	2014	2013
Personnel and employee benefit costs	12,425	10,453
Rent	2,425	2,581
Depreciation	2,156	2,918
Consulting expenses	1,935	2,027
Insurance, contributions, fees, purchased services	1,884	1,636
Communication costs	419	392
IR expenses	183	303
Earning from the writing off of accrual items	– 41	– 41
Other	3,658	3,670
Total	**25,044**	**23,939**

11 | RESEARCH AND DEVELOPMENT COSTS

Unlike previous years, non-capitalized costs for research and development are no longer recognized in a separate item in the income statement but under other operating expenses. The prior year's income statement has been adjusted accordingly (see explanations under Note 6).

12 | EMPLOYEES BENEFITS AND NUMBER OF EMPLOYEES

The income statement includes personnel expenses in the amount of € 44,877 thousand (2013: € 38,722 thousand).

Personnel expenses for fiscal years 2014 and 2013 are composed of the following:

€ thousand	2014	2013
Wages and salaries	39,233	33,482
Social security contributions and expenses on retirement pensions and support	5,644	5,240
of which for pensions	161	191

Group companies employed 674 people on average during 2014 (2013: 613). They worked in the following departments:

	2014	2013
Production	295	266
R & D/plant engineering	63	63
Administration	108	95
Sales and marketing	154	138
Quality management	54	51
Total	**674**	**613**

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 income statement totaling € 2,907 thousand (2013: € 2,485 thousand) represent the Group's contributions that are due to the associated retirement plans. As of December 31, 2014 and 2013, 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 Note 49.

13 | DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

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

	2014		2013	
€ thousand	Amortization	Impairments	Amortization	Impairments
Cost of sales	683	0	779	0
Selling expenses	669	0	807	556
General administration costs	1,007	0	990	764
Other operating expenses	51	0	88	937
Total	**2,410**	**0**	**2,664**	**2,257**

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

	2014		2013	
€ thousand	Amortization	Impairments	Amortization	Impairments
Cost of sales	2,805	0	2,341	0
Selling expenses	497	0	686	0
General administration costs	1,149	0	1,164	0
Other operating expenses	282	0	139	0
Total	**4,733**	**0**	**4,330**	**0**

14 | OTHER OPERATING INCOME

In fiscal year 2014, other operating expenses fell significantly year on year to € 1,067 thousand (2013: to € 7,796 thousand). This primarily involves income from the reduction in contingent purchase price liabilities recognized through profit or loss of € 376 thousand and income from cost reimbursements € 207 thousand. This item includes income from the disposal of assets, insurance compensation, grants, income from the reversal of value adjustments and other income.

In fiscal year 2013, this item consisted primarily of income relating to the acquisition of shares and options on shares of OctreoPharm Sciences GmbH amounting to € 2,148 thousand. Other operating income also included income from the settlement of legal disputes of € 1,326 thousand, received subsidies totaling € 1,141 thousand, income from cost reimbursements of € 756 thousand and income from the reduction of contingent purchase price liabilities recognized through profit or loss of € 388 thousand.

15 | OTHER OPERATING EXPENSES

Unlike in prior years, other operating expenses now include non-capitalized research and development costs. The prior year's income statement has been adjusted accordingly (see explanations under Note 6).

Other operating expenses fell significantly year on year by € 2,188 thousand to € 3,914 thousand. Besides costs for research and development of € 3,623 thousand (2013: € 4,801 thousand), the item primarily includes value impairments on receivables and losses on receivables of € 171 thousand (2013: € 567 thousand), repayments of subsidies of € 66 thousand (2013: € 0 thousand) and losses on the disposal of fixed assets totaling € 22 thousand (2013: € 40 thousand).

Research and development costs in other operating expenses consist of:

- Directly attributable personnel and material costs associated with the research and development areas that cannot be capitalized,
- Depreciation in the research and development areas for acquired property, plant and equipment as well as intangible assets and the corresponding release of deferred items relating to assets used for research purposes,
- 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.

Research and development costs of € 3,623 thousand (2013: € 4,865 thousand) include depreciation and value impairments of € 333 thousand (2013: € 1,164 thousand), personnel costs of € 2,613 thousand (2013: € 2,877 thousand), cost of materials and third-party services of € 337 thousand (2013: € 714 thousand), other expenses totaling € 340 thousand (2013: € 113 thousand), and income from the release of deferred items of € 0 thousand (2013: € 3 thousand).

16 | INCOME FROM SHARES MEASURED AT-EQUITY

In June 2013, Eckert & Ziegler Radiopharma GmbH acquired shares in OctreoPharm Sciences GmbH, Berlin as well as an option on further shares in the company. From the loan and share option agreement concluded in September 2012 with Eckert Wagniskapital-und Frühphasenfinanzierung GmbH, the Group has the option to acquire further shares in OctreoPharm Sciences GmbH. In accordance with IAS 28, the company has a significant influence on OctreoPharm Sciences GmbH and therefore accounts for the shares in these consolidated financial statements by applying the equity method. The Group's share in the loss generated by OctreoPharm Sciences GmbH in fiscal year 2014 stood at € 609 thousand (2013: € 183 thousand) (see also Notes 6 and 24).

Joint Venture "NanoBrachyTech": In fiscal year 2009, Eckert & Ziegler BEBIG S.A. founded joint venture ZAO "NanoBrachy-Tech" together with OOO Santis and 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. Due to the lack of reliable financial statements prepared according to IFRS of the joint venture ZAO "Nano-BrachyTech" as of December 31, 2014 and December 31, 2014, the disclosures concerning the joint venture's profit and loss and balance sheet data are based on estimates. According to this data, no income from joint venture shares measured at-equity was recognized in fiscal years 2014 and 2013.

17 | RESULTS OF FINANCIAL INVESTMENTS MEASURED AT FAIR VALUE

The Group has a number of options for the acquisition of further shares on the basis of its investment in OctreoPharm Sciences GmbH. These options were measured at fair value as of December 31, 2013, resulting in income of € 2,799 thousand.

After another review of the accounting of the acquisition of shares and options on shares of OctreoPharm Sciences GmbH, the Executive Board came to the conclusion that contrary to previous assumptions, no reliable fair value measurement of the options is possible. The options were valued at intrinsic value and the income from the disposal of the shares and options on other shares was recognized under other operating income in the income statement. The prior year's income statement has been adjusted accordingly (see explanations under Note 6).

18 | INTEREST INCOME

Interest and similar income on financial assets measured at amortized cost totaled € 468 thousand in fiscal year 2014 (2013: € 1,314 thousand), while the interest expense amounted to € 1,628 thousand (2013: € 1,188 thousand).

The interest expense includes € 350 thousand (2013: € 416) resulting from the compounding of interest on non-current liabilities and provisions.

19 | INCOME TAXES

The parent company's tax rate, which was used as the Group tax rate for calculating income tax expense for corporation tax, the solidarity surcharge and trade tax purposes, amounted to 30.175 % for fiscal years 2014 and 2013. The Group tax rate consists of the following:

	2014	2013
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 income tax expense as of December 31, 2014 and 2013 consists of the following:

€ thousand	2014	2013
Earnings before taxes		
Germany	1,370	1,293
Foreign subsidiaries	10,426	10,978
	11,796	**12,271**

€ thousand	2014	2013
Current taxes		
Germany	411	125
Foreign subsidiaries	3,518	2,985
	3,929	**3,110**

Of the current taxes in 2014, € – 8 thousand (income) relate to prior years (2013: € – 127 thousand).

€ thousand	2014	2013
Deferred taxes		
Germany	– 200	266
Foreign subsidiaries	1,570	– 1,552
	1,370	**– 1,286**
Total taxes	**5,299**	**1,824**

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

€ thousand	2014	2013
Basis for determining the tax expenditure (earnings before taxes)	11,796	12,271
Expected tax expenditure based on group tax rate	3,560	3,703
Tax rate differences at subsidiaries	177	– 1
Taxes for prior years	– 8	– 127
Non-deductible expenses	521	405
Tax-free income	– 320	– 956
Capitalization of previously unrecognized loss carry-forwards	– 355	0
Valuation corrections to deferred taxes	– 408	0
Value impairment on deferred taxes on loss carry-forwards	1,653	0
Use of previously non-capitalized deferred taxes on loss carry-forwards	– 162	– 1,779
Non-capitalized deferred taxes on losses of the fiscal year	646	707
Other	– 5	– 128
Effective tax expenditure	**5,299**	**1,824**

In order to calculate deferred taxes, the following tax rates were used at the parent company as of December 31, 2014, which were unchanged as against December 31, 2013: 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 € 3,276 thousand (2013: € 1,693 thousand) and deferred tax income of € 1,767 thousand (2013: € 3,207 thousand) are attributable to changes in the tax loss carry-forwards in the reporting year, while deferred tax income of € 139 thousand (2013: deferred tax expenses of € 844 thousand) are related to temporary differences.

In total, deferred tax assets of € 7,414 thousand (2013: € 8,923 thousand) have been capitalized on tax loss carry-forwards. 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, Great Britain and Germany can be carried forward indefinitely. Tax loss carry-forwards totaling € 700 thousand (2013: € 582 thousand) are attributable to the tax loss carry-forwards of US or Polish Group companies; in some cases, tax loss carry-forwards will begin to lapse in 2017.

Deferred tax assets on loss carry-forwards in the amount of € 1,221 thousand (2013: € 2,825 thousand) relate to companies that still suffered a loss under fiscal law in 2014. In fiscal year 2014, loss carry-forwards were used in the amount of € 162 thousand (2013: € 1,779 thousand) for which no deferred tax assets for loss carry-forwards were recognized as of December 31 of the respective prior year. As of December 31, 2014, the Group has tax loss carry-forwards of € 12,213 thousand (2013: € 5,713 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 of December 31, 2014 is € 4,354 thousand (2013: € 1,912 thousand).

Increases in the deferred tax liabilities on temporary differences in the amount of € 85 thousand (2013: € 44 thousand increase in deferred tax liabilities) result from currency translations.

In the period under review, deferred tax income of € 843 thousand (2013: deferred tax expenses of € 371 thousand) were offset outside profit and loss directly in equity.

Within the scope of the initial consolidation of Eckert & Ziegler Brazil Comercial Ltda., deferred tax liabilities of € 824 thousand were recognized in the balance sheet (2013: € 290 thousand in deferred tax liabilities within the scope of the initial consolidation of Chemotrade Chemiehandelsgesellschaft GmbH and BSM Diagnostica Gesellschaft m.b.H.) and deferred tax assets of € 8 thousand within the scope of the acquisition of the Waste Disposal segment by Eckert & Ziegler Environmental Services Ltd.). No deferred tax liabilities were established for temporary differences resulting from the reinvested earnings of subsidiaries in the amount of € 22,507 thousand (2013: € 14,984 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:

€ thousand	Deferred tax assets 2014	Deferred tax assets 2013	Deferred tax liabilities 2014	Deferred tax liabilities 2013
Tax loss carry-forwards	7,414	8,923	0	0
Fixed assets	113	88	7,792	7,308
Securities	0	0	0	1
Receivables	175	745	165	239
Inventories	72	216	672	111
Provisions	6,991	4,902	0	0
Other	767	958	166	0
Subtotal	**15,532**	**15,832**	**8,795**	**7,659**
Balancing	– 6,067	– 5,727	– 6,067	– 5,727
Balance according to the consolidated balance sheet	**9,465**	**10,105**	**2,728**	**1,932**

20 | MINORITY INTERESTS

Included in the Group net income after taxes are losses attributable to minority interests in the amount of € 278 thousand (2013: profit of € 1,412 thousand).

The following table includes details on the non-wholly-owned subsidiaries of the Group which are significant minority interests.

Name of subsidiaries	Headquarters	Participation rate of minority interests 31.12.2014	Participation rate of minority interests 31.12.2013	Profit/loss (–) attributable to minority interests 2014 € thousand	Profit/loss (–) attributable to minority interests 2013 € thousand	Cumulative minority interests 31.12.2014 € thousand	Cumulative minority interests 31.12.2013 € thousand
Eckert & Ziegler BEBIG s. a.	Seneffe, Belgium	20 %	20 %	– 868	829	5,306	6,174
Eckert & Ziegler CESIO s. r. o	Prague, Czech Republic	20 %	20 %	590	583	608	599

The key financial data of the Group's subsidiaries which represent significant minority interests are as follows. The key data corresponds to amounts before internal elimination.

ECKERT & ZIEGLER BEBIG S. A.

€ thousand	Dec. 31, 2014	Dec. 31, 2013
Current assets	17,240	17,571
Non-current assets	37,914	41,989
Current liabilities	– 15,646	– 8,844
Non-current liabilities	– 7,839	– 15,627
Equity attributable to shareholders of the parent company	26,363	28,915
Minority shareholders	5,306	6,174

€ thousand	2014	2013
Revenues	28,998	27,929
Expenses	– 32,285	– 24,709
Shortfall for the year (previous year: profit for the year)	**– 3,287**	**3,220**
Net profit for the year attributable to the shareholders of the parent company	– 2,419	2,391
Net profit for the year attributable to minority shareholders	– 868	829
Total net profit for the year	**– 3,287**	**3,220**
Other net income attributable to the shareholders of the parent company	0	0
Other net income attributable to minority shareholders	0	0
Total other net income	**0**	**0**
Comprehensive income attributable to the shareholders of the parent company	– 2,419	2,391
Comprehensive income attributable to minority shareholders	– 868	829
Comprehensive income	**– 3,287**	**3,220**

€ thousand	Dec. 31, 2014	Dec. 31, 2013
Dividends paid to minority shareholders	0	0

ECKERT & ZIEGLER CESIO s. r. o.		
€ thousand	Dec. 31, 2014	Dec. 31, 2013
Current assets	7.066	4,893
Non-current assets	819	883
Current liabilities	– 4,679	– 2,551
Non-current liabilities	– 236	– 300
Equity attributable to shareholders of the parent company	2,362	2,326
Minority shareholders	608	599

€ thousand	2014	2013
Revenues	7,116	6,358
Expenditure	– 4,171	– 3,444
Shortfall for the year (previous year: profit for the year)	**2,945**	**2,914**
Net profit for the year attributable to shareholders of the parent company	2,355	2,331
Net profit for the year attributable to minority shareholders	590	583
Total net profit for the year	**2,945**	**2,914**
Other net income attributable to the shareholders of the parent company	– 65	– 360
Ohter net income attributable to minority shareholders	– 13	– 72
Total other net income	**– 78**	**– 432**
Comprehensive income attributable to the shareholders of the parent company	2,290	1,971
Comprehensive income attributable to minority shareholders	577	511
Comprehensive income	**2,867**	**2,482**

€ thousand	Dec. 31, 2014	Dec. 31, 2013
Dividends paid to minority shareholders	393	243

21 | EARNINGS PER SHARE

Earnings per share were calculated as follows:

	At year-end	
€ thousand	2014	2013
Numerator for calculation of the profit and the diluted earnings per share- earnings share of the shareholders of Eckert & Ziegler AG	6,775	9,035
Denominator for calculation of the earnings per share- weighted average of the number of shares (in thousands)	5,288	5,288
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	5,288
Undiluted earnings per share (in EUR)	1.28	1.71
Diluted earnings per share (in EUR)	1.28	1.71

Notes to the consolidated balance sheet

22 | 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 that are not subject to any scheduled depreciation relate exclusively to the goodwill.

The balance of goodwill changed as follows during fiscal years 2014 and 2013:

€ thousand	2014	2013
As of January 1	34,906	31,122
Additions	1,538	4,374
Impairments	0	– 27
Currency translation differences	1,877	– 563
As of December 31	**38,321**	**34,906**

The increase is related to the addition of goodwill in the Isotope Products segment in connection with the acquisition of Eckert & Ziegler Brazil Comercial Ltda. and in the Radiation Therapy segment by way of purchase price allocation in fiscal year 2014 for the acquisitions in the prior year (see Note 43).

There was also an addition of € 1,877 thousand (2013: decline of € 563 thousand) attributable to currency translation differences, because a significant portion of goodwill is attributable to companies in the Isotope Products and Radiation Therapy segments, whose accounting records are maintained in US dollars.

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

€ thousand	Goodwill 2014	Goodwill 2013
Radiation Therapy (corresponds to CGU)	17,246	15,879*
Isotope Products (without VSU)	18,277	16,393
Isotope Products (VSU)	8	7
Radiopharma (cyclotron division)	454	454
Radiopharma (equipment division)	2,336	2,173
As of December 31	**38,321**	**34,906**

** = of which € 3,751 thousand from temporary purchase price allocation*

The capitalized goodwill was tested for impairment in fiscal year 2014 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 Radiation Therapy segment, they correspond to the segment. In the Isotope Products and Radiopharma segments, two cash-generating units were identified for each segment (VSU and Isotope Products without VSU as well as the cyclotron and equipment division).

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 1 % (2013: 0 % to 1 %). The discount rate before tax for the Radiation Therapy segment stood at 8.5 % (2013: 13.2 %), 9.9 % for the cyclotron division (2013: 17.0 %), 9.9 % for the equipment division (2013: 16.0 %), and at 11.2 % for the CGUs in the Isotope Products segment (2013: 16.6 %) (see also Note 3).

In the Others segment, goodwill of € 27 thousand resulted from the purchase price distribution for the acquisition of the "Waste Disposal" segment of Energy Solutions EU in the prior year (see also Note 43). The subsequent impairment test led to an impairment requirement of € 27 thousand. These expenses were recognized in the prior year under general administrative costs.

The outcome of the other impairment tests as of December 31, 2014 was that, based on the recoverable amounts of the respective goodwill positions, there is no need for impairment (2013: likewise no impairment need).

The outcome of the impairment test for the goodwill of the CGUs in 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. No scenario analysis was conducted for the goodwill in the cyclotron division and equipment division as the respective values in the Group are not considered to be significant.

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 %	70 %	90 %	100 %	100 %	40 %
Cumulative FCF over 5 years	100 %	77 %	40 %	100 %	100 %	54 %
Calculated goodwill	100 %	74 %	49 %	70 %	54 %	30 %
Calculated goodwill (EZAG share) in relation to book value	1.06	1.0	0.66	0.94	0.72	0.41
Impairment need	nein	ja	ja	ja	ja	ja

b) As of December 31, 2014 and 2013, amortized intangible assets consist of the following:

(1) Acquired intangible assets

	2014 € thousand	Remaining amortization period	2013 € thousand
Costumer relationships	4,791	1–15 years	5,095
Licenses/software/permits	4,094	1–8 years	4,151
Patents/technology	2,934	1–15 years	4,194
As of December 31	**11,819**		**13,440**

(2) Internally generated intangible assets

	2014 € thousand	Remaining amortization period	2013 € thousand
Capitalized development costs (ongoing projects)	3,645		4,355
Patents	11	19–20 years	0
Other	1,822	1–15 years	13
As of December 31	**5,478**		**4,368**

In fiscal year 2014, development costs totaling € 1,343 thousand (2013: € 2,049 thousand) were capitalized. Impairment tests were carried out for development projects not yet completed on the balance date, which confirm the intrinsic value of the respective capitalized amounts.

In the Radiation Therapy segment, a development project in the implant sector relating to the acquisition of the Brachytherapy segment of US company Biocompatibles Inc. was discontinued in the prior year, as the acquired segment already possessed similar technology. Capitalized development costs of € 937 thousand incurred by then were impaired to the full amount.

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, 2014 is presented in the statement of changes in fixed assets at the end of the notes.

23 | PROPERTY, PLANT AND EQUIPMENT

The development in property, plant and equipment in the balance of intangible assets from January 1 to December 31, 2014 is presented in the statement of changes in fixed assets at the end of the notes.

In addition to current replacement investments, the additions during fiscal year 2014 mainly concern constructing a new production site and expanding and modernizing existing production installations.

The Group concluded a long-term lease contract 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 extended 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. The Group exercised its extension right in a timely manner but the negotiations on the details of the contract have not been finalized and the old terms and conditions apply.

The Group plans to sell a building and land within the next six months which is currently only being used to a minimal extent. It was previously an administration and production building for the Radiation Therapy segment and is partially radioactively contaminated due to previous production activities. The Group intends to sell the land and building together along with the decontamination obligations. The search for a buyer has already begun. Value impairments were not recognized at the time of reclassification as available for sale or as of December 31, 2014 as the Executive Board assumes that the fair value (estimated on the basis of experience from the ongoing contract negotiations) less disposal costs is above the book value recognized as of December 31, 2014 at € 962 thousand. This amount was recognized for the first time under the item "Non-current assets held for sale" as of December 31, 2014.

24 | INVESTMENTS IN INTERESTS MEASURED AT-EQUITY

In fiscal year 2009, Eckert & Ziegler BEBIG S.A. founded joint venture ZAO "NanoBrachy-Tech" together with OOO Santis and Russian state fund "RUSNANO." Eckert & Ziegler BEBIG S.A. contributed intangible assets to the joint venture and received a 15 % interest in 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 to € 0 thousand as of December 31, 2014 (2013: € 0 thousand). Although the Group has a participation of less than 20 % in joint venture ZAO "NanoBrachyTech," the Group has the possibility of exerting considerable influence over the joint venture as, according to the articles of incorporation, certain key decisions must be made unanimously.

No reliable information is available for joint venture ZAO "NanoBrachyTech" and this also cannot be estimated to a sufficient degree of accuracy. However, we assume that the equity of this company is still negative.

In June 2013, Eckert & Ziegler Radiopharma GmbH acquired shares in OctreoPharm Sciences GmbH. From the loan and share option agreement concluded in September 2012 with Eckert Wagniskapital- und Frühphasenfinanzierung GmbH, the Group has the option to acquire further shares in OctreoPharm Sciences GmbH. In accordance with IAS 28.13, the Group already has "present access" to the shares. Including these share and the shares already held directly via Eckert & Ziegler Radiopharma GmbH, the Group holds a total of 25 % of the shares in OctreoPharm Sciences GmbH and thus exerts considerable influence over OctreoPharm Sciences GmbH. The shares are therefore recognized according to the equity method in these consolidated financial statements. The cost of acquiring the shares stood at € 3,622 thousand. The Group's share in the loss generated by OctreoPharm Sciences GmbH in fiscal year 2014 came to € 609 thousand (2013: € 183 thousand). The investment valued at-equity as of December 31, 2014 therefore totaled € 2,830 thousand (2013: € 3,439 thousand) (see also Notes 6 and 16).

The following table contains an overview of all key financial data regarding the interest in OctreoPharm Sciences GmbH recognized at-equity: The key financial data corresponds to the amounts in the company's financial statements prepared according to IFRS (adjusted for accounting according to the Group's equity method):

€ thousand	Dec 31, 2014	Dec 31, 2013
Current assets	1,619	3,909
Non-current assets	5,116	5,338
Current liabilities	– 265	– 254
Non-current liabilities	– 2,141	– 2,199

The assets and liabilities listed above include the following amounts:

€ thousand	Dec 31, 2014	Dec 31, 2013
Cash and cash equivalents	1,415	3,672
Current financial liabilities (not including trade payables, other liabilities and provisions)	– 104	– 97
Non-current financial liabilities (not including trade payables, other liabilities and provisions)	– 1,950	– 1,950

€ thousand	2014	2013
Revenues	0	0
Net profit for the year from continued operations	– 2,465	– 1,232
Income after tax of discontinued operations	0	0
Shortfall for the year	– 2,465	– 1,232
Other net income	0	0
Comprehensive income	**– 2,465**	**– 1,232**
Dividends received by OctreoPharm Sciences GmbH	0	0

The net profit for the year listed below contains the following amounts:

€ thousand	2014	2013
Scheduled depreciation	– 241	– 124
Interest income	3	2
Interest expense	0	0
Income tax expense or income	56	28

Reconciliation of the presented comprehensive financial information at the book value of the investment in OctreoPharm Sciences GmbH in the consolidated financial statements

€ thousand	Dec 31, 2014	Dec 31, 2013
Net assets of OctreoPharm Sciences GmbH	4,329	6,794
Group shareholding	25 %	25 %
Goodwill	1,732	1,732
Adjustment for effects from upstream transactions	14	4
Book value of the Group interest in OctreoPharm Sciences GmbH	2,830	3,439

In December 2013, Eckert & Ziegler Isotope Products Inc. signed an agreement with an American partner to establish a joint venture: Americium Consortium LLC. Both partners hold 50 % of the shares in the joint venture and both may appoint a member of management to the joint venture. Key decisions must be made unanimously. In accordance with IAS 28, the company exercises significant influence over the joint venture and therefore accounts for the shares in these consolidated financial statements using the equity method. The cost of acquiring the shares stood at € 2,493 thousand. The Group's share in the loss generated by OctreoPharm Sciences GmbH in fiscal year 2014 came to € 0 thousand. The investment valued at-equity as of December 31, 2014 therefore totaled € 2,493 thousand (2013: € 0 thousand) (see also Note 16).

The following tables contain an overview of all key financial data regarding the interest in Americium Consortium LLC joint venture recognized using the equity method. The key financial data corresponds to the amounts in the joint venture's financial statements prepared according to IFRS (adjusted for accounting according to the Group's equity method):

€ thousand	Dec 31, 2014
Current assets	1
Non-current assets	4,985
Current liabilities	0
Non-current liabilities	0

The assets and liabilities listed above include the following amounts:

€ thousand	Dec 31, 2014
Cash and cash equivalents	1
Current financial liabilities (not including trade payables, other liabilities and provisions)	0
Non-current financial liabilities (not including trade payables, other liabilities and provisions)	0

€ thousand	2014
Revenues	0
Net profit for the year from continued operations	– 1
Income after tax of discontinued operations	0
Net profit for the year	– 1
Other net income	0
Comprehensive income	**– 1**
Dividends received from the joint venture	0

The net profit for the year listed above contains the following amounts:

€ thousand	2014
Scheduled depreciation	0
Interest income	0
Interest expense	0
Income tax expense or income	0

Reconciliation of the presented comprehensive financial information at the book value of the investment in the joint venture Americium Consortium LLC in the consolidated financial statements

€ thousand	Dec 31, 2014
Net assets of the joint venture	4,986
Group shareholding	50 %
Book value of the Group interest in the joint venture	**2,493**

25 | NON-CURRENT TRADE RECEIVABLES

The receivables recognized in this item in the prior year relating to the disposal of expertise in the amount of € 1,359 thousand were repaid in full by the customer in fiscal year 2014.

In the prior year, trade receivables from customers in southern European countries (Spain, Italy, France) were recognized under this item, the majority of these are due, but the company assumed that they will only be able to be realized over the long term. As of December 31, 2014, a small part of these receivables were impaired. Non-current trade receivables amounted to € 368 thousand as of December 31, 2014.

26 | OTHER NON-CURRENT ASSETS

Other non-current assets include a receivable from OOO BEBIG, a wholly owned subsidiary of joint venture ZAO "NanoBrachyTech," amounting to € 1,037 thousand (2013: € 1,496 thousand). This receivable results from the conversion of trade receivables into two long-term loans from Eckert & Ziegler BEBIG S.A. to OOO BEBIG. A loan was fully repaid as of December 31, 2014 and the second loan had a residual value of € 1,608 thousand (nominal amount € 1,714 thousand, agreed interest rate of 2.5 %; to be repaid by December 31, 2017). The partial loan payment of € 571 thousand due in the coming year is recognized in the balance sheet under other current assets.

In October 2013, Eckert & Ziegler AG granted Eckert Wagniskapital und Frühphasenfinanzierung GmbH (EWK) a loan amounting to € 368 thousand (nominal amount of up to € 400 thousand, agreed interest rate of 3.25 %, to be repaid by December 31, 2017. This loan is also recognized under other non-current assets.

The value of two options on the acquisition of shares in OctreoPharm Sciences GmbH will continue to be recognized under other non-current assets. The options were measured at an intrinsic value of € 646 thousand at the time of the addition (June 2013) (see Note 6).

This item also includes deposit payments made amounting to € 72 thousand (2013: € 64 thousand).

27 | CASH AND CASH EQUIVALENTS

Cash and cash equivalents totaling € 21,824 thousand (2013: € 29,414 thousand) consist of checks, cash on hand, and bank balances with a maturity of less than three months. Cash and cash equivalents are consistent with the cash fund in the Group cash flow statement.

28 | SECURITIES

All securities were sold in fiscal year 2014. They had previously all been classified as available-for-sale financial assets. Securities as of December 31, 2013 consisted of the following:

	December 31, 2013			
€ 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 was determined by quoted prices.

29 | CURRENT TRADE RECEIVABLES

The current trade receivables are composed as follows as of December 31, 2014 and 2013:

€ thousand	2014	2013
Trade receivables	24,783	21,550
Less value adjustments	– 1,382	– 1,273
As of December 31	**23,401**	**20,277**

30 | INVENTORIES

Inventories as of December 31, 2014 and 2013 consist of the following:

€ thousand	2014	2013
Raw materials, consumables, and supplies	18,107	11,621
Finished products	5,147	5,239
Unfinished products and work in progress	1,698	1,431
	24,952	**18,291**
Less impairments	– 630	– 513
As of December 31	**24,322**	**17,778**

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

The impairments carried out on the basis of a comparison of the net realizable value and the book value increased by € 117 thousand (2013: € 25 thousand).

31 | OTHER CURRENT ASSETS

Other current assets totaling € 7,426 thousand (2013: € 5,159 thousand) include, in addition to tax pre-payments amounting to € 3,577 thousand (2013: € 1,075 thousand) and tax receivables from tax authorities in the amount of € 1,496 thousand (2013: € 2,378 thousand), primarily deferred expenses and prepayments of € 2,132 thousand (2013: € 1,542 thousand).

32 | CAPITAL AND RESERVES

The development of shareholders' equity attributable to the shareholders of Eckert & Ziegler AG and minority interests is presented in the statement of Group equity.

In accordance with the resolution of the Annual General Meeting on May 22, 2014, the balance sheet profit under commercial law of Eckert & Ziegler AG as of December 31, 2013 in the amount of € 6,421 thousand was used to distribute a dividend of € 0.60 per bearer share entitled to a dividend (€ 3,173 thousand). The remainder was allocated to other retained earnings (€ 3,248 thousand).

The subscribed capital of Eckert & Ziegler AG as of December 31, 2014, amounts to € 5,292,983. It is divided into 5,292,983 non-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, 2014.

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 2014 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 be 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 non-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 non-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 2014, the following circumstances needed to be disclosed in accordance with the WpHG.

Taaleritehdas Plc, Helsinki, Finland, notified us pursuant to Section 21 (1) of the WpHG that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, fell below the threshold of 5 % of voting rights on December 4, 2014 and that, on this day, its voting share percentage amounted to 4.84 % (this corresponds to 256,120 voting rights).

Of these, 4.84 % (256,120 voting rights) are attributable to the shareholder pursuant to Section 22 (1) Sentence 1 No. 6 of the WpHG in conjunction with Sentence 2 of the WpHG.

Voting rights are attributed to it from the following shareholder, holding a voting right share of 3 % or more in Eckert & Ziegler AG: Taaleritehdas ArvoRein Equity Fund, Helsinki, Finland.

Taaleritehdas Wealth Management Ltd., Helsinki, Finland, notified us pursuant to Section 21 (1) of the WpHG that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, fell below the threshold of 5 % of voting rights on December 4, 2014 and that, on this day, its voting share percentage amounted to 4.84 % (this corresponds to 256,120 voting rights).

Of these, 4.84 % (256,120 voting rights) are attributable to the shareholder pursuant to Section 22 (1) Sentence 1 No. 6 of the WpHG in conjunction with Sentence 2 of the WpHG.

Voting rights are attributed to it from the following shareholder, holding a voting right share of 3 % or more in Eckert & Ziegler AG: Taaleritehdas ArvoRein Equity Fund, Helsinki, Finland.

Taaleritehdas Fund Management Ltd., Helsinki, Finland, notified us pursuant to Section 21 (1) of the WpHG that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, fell below the threshold of 5 % of voting rights on December 4, 2014 and that, on this day, its voting share percentage amounted to 4.84 % (this corresponds to 256,120 voting rights).

Of these, 4.84 % (256,120 voting rights) are attributable pursuant to Section 22 (1) Sentence 1 No. 6 of the WpHG.

Voting rights are attributed to it from the following shareholder, holding a voting right share of 3 % or more in Eckert & Ziegler AG: Taaleritehdas ArvoRein Equity Fund, Helsinki, Finland.

Taaleritehdas ArvoRein Equity Fund, Helsinki, Finland, notified us pursuant to Section 21 (1) of the WpHG that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, fell below the threshold of 5 % of voting rights on December 4, 2014 and that, on this day, its voting share percentage amounted to 4.84 % (this corresponds to 256,120 voting rights).

On April 4, 2014, Allianz Global Investors Europe GmbH, Frankfurt, Germany notified us pursuant to Section 21 (1) of the WpHG that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, had exceeded the threshold of 3 % of voting rights on April 2, 2014 and that, on this day, its voting share percentage amounted to 3.28 % (this corresponds to 173,700 voting rights). Of these, 0.07 % (3,700 voting rights) is attributable pursuant to Section 22 (1) Sentence 1 No. 6 of the WpHG.

Taaleritehdas Plc, Helsinki, Finland, notified us pursuant to Section 21 (1) of the WpHG that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, exceeded the threshold of 5 % of voting rights on January 13, 2014 and that, on this day, its voting share percentage amounted to 5.02 % (this corresponds to 266,000 voting rights).

Of these, 5.02 % (266,000 voting rights) are attributable to the shareholder pursuant to Section 22 (1) Sentence 1 No. 6 of the WpHG in conjunction with Sentence 2 of the WpHG.

Voting rights are attributed to it from the following shareholder, holding a voting right share of 3 % or more in Eckert & Ziegler AG: Taaleritehdas ArvoRein Equity Fund, Helsinki, Finland.

Taaleritehdas Wealth Management Ltd., Helsinki, Finland, notified us pursuant to Section 21 (1) of the WpHG that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, exceeded the threshold of 5 % of voting rights on January 13, 2014 and that, on this day, its voting share percentage amounted to 5.02 % (this corresponds to 266,000 voting rights).

Of these, 5.02 % (266,000 voting rights) are attributable to the shareholder pursuant to Section 22 (1) Sentence 1 No. 6 of the WpHG in conjunction with Sentence 2 of the WpHG.

Voting rights are attributed to it from the following shareholder, holding a voting right share of 3 % or more in Eckert & Ziegler AG: Taaleritehdas ArvoRein Equity Fund, Helsinki, Finland.

Taaleritehdas Fund Management Ltd., Helsinki, Finland, notified us pursuant to Section 21 (1) of the WpHG that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, exceeded the threshold of 5 % of voting rights on January 13, 2014 and that, on this day, its voting share percentage amounted to 5.02 % (this corresponds to 266,000 voting rights).

Of these, 5.02 % (266,000 voting rights) are attributable pursuant to Section 22 (1) Sentence 1 No. 6 of the WpHG.

Voting rights are attributed to it from the following shareholder, holding a voting right share of 3 % or more in Eckert & Ziegler AG: Taaleritehdas ArvoRein Equity Fund, Helsinki, Finland.

Taaleritehdas ArvoRein Equity Fund, Helsinki, Finland, notified us pursuant to Section 21 (1) of the WpHG that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, exceeded the threshold of 5 % of voting rights on January 13, 2014 and that, on this day, its voting share percentage amounted to 5.02 % (this corresponds to 266,000 voting rights).

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.

Other reserves also include exchange rate differences in the amount of € 338 thousand resulting from the translation of the financial statements of foreign subsidiaries (2013: € –2,977 thousand). Movements in 2014 and 2013 relate primarily to the American subsidiaries. In addition, actuarial gains/losses (after tax) from defined benefit pension obligations of € 2,665 thousand (2013: € -833 thousand) and changes in the value of securities classified as available for sale that are recognized outside profit and loss are included in other reserves under other consolidated earnings.

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 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.
- Own 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 (approximately 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 fiscal year 2009, 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 fiscal year 2010, 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 fiscal year 2010 (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, 2014. This equates to a 0.1 % share of the Company's subscribed capital. The number of shares in circulation (5,288,165) did not change in fiscal years 2014 and 2013.

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

33 | LOAN LIABILITIES

Loans as of December 31, 2014 and 2013 consist of the following:

€ thousand	**2014**	2013
Loan liabilities to banks	18,705	21,539
Other loan liabilities	0	1,088
Loan liabilities as of December 31, total	**18,705**	**22,627**
thereof current	11,426	5,055
thereof non-current	7,279	17,572

In fiscal year 2014, the covenants of a loan agreed with the bank in the Radiation Therapy segment were not fulfilled. The bank theoretically has the option of terminating the loan and to demand repayment at short notice. For this reason, the remaining debt from this loan was fully recognized under current liabilities in the balance sheet (unlike the contractually agreed periods). The Group does not assume that the bank will make use of this option but also does not foresee any problems should it have to refinance the loan elsewhere.

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

€ thousand	Interest rate p.a.	2014	2013
Loan from Commerzbank AG	3.99 %	6.500	6.500
Loan from DZ Bank	3.10 %	5.373	5.931
Loan from Commerzbank AG	4.80 %	1.441	1.631
Loan from Deutschen Bank AG	3.17 %	1.355	1.500
Loan from Deutschen Industrie Bank AG (IKB) (ERP-innovation program)	4.75 % to 4.85 %	937	2.187
Loan from Comerica Bank (USA)	Prime + 1 %	721	852
Loan from Deutschen Bank AG	3M EURIBOR + 2.4 %	413	2.063
Loan from Credit Agricole	5.00 %	205	360
Loan from previous shareholders from the takeover of interests	10.00 %	0	1.088
Loan from Commerzbank AG (KfW-Globaldarlehen)	6.10 %	0	291
Other loans	4.5 % to 5.1 %	110	223
Current money market loans	2.50 %	1.650	0
Loan liabilities as of December 31, total		**18.705**	**22.627**

In fiscal year 2014, loans decreased significantly compared to the prior year. The decline is largely the result of scheduled repayment. In fiscal year 2014, two current money market loans of € 1,650 thousand were taken out, which must be repaid in full by March 2015. In the prior year, the increase in loan liabilities was largely the result of loans taken out in connection with the construction of a production site in Warsaw, the modernization of a German production site, and acquisitions in the Therapy segment.

In addition, a vendor note totaling USD 1.5 million (€ 1,088 thousand) was taken out in relation to the acquisition of Mick Radio-Nuclear Instruments Inc.

In September 2013, Eckert & Ziegler BEBIG GmbH took out a loan of € 6,500 thousand to finance the acquisitions completed in November. The loan has a term until September 30, 2018 and will be repaid in quarterly installments of € 465 thousand plus interest commencing in the second quarter of 2015.

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 loan has a total volume of € 6,530 thousand, of which € 5,931 thousand was utilized. The loan has a term until April 30, 2019 and will be repaid in quarterly installments of € 327 thousand plus interest commencing in 2014.

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 November 2013, Eckert & Ziegler EURO-PET Köln/Bonn GmbH took out a loan of € 1,500 thousand to finance the modernization of its production sites. The loan has a term until December 31, 2021 and is being repaid in quarterly installments of € 48 thousand plus interest since the second quarter of 2014.

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.

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 May 2010 Eckert & Ziegler AG took out a loan of the Deutsche Bank AG in the amount of € 8,250 thousand for the partial refinancing of the additional shares in International Brachytherapy S.A. acquired within the framework of a takeover bid. The loan has a term until March 31, 2015 and will be repaid in quarterly installments of € 412 thousand.

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 was repaid from March 31, 2010 in quarterly installments of USD 125 thousand until December 31, 2013.

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 had a term until December 30, 2013 and was 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.

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.

The Group has credit lines totaling € 8,000 thousand, of which € 1,935 thousand was utilized as of December 31, 2014.

As of December 31, 2014 and 2013, the residual terms of loan liabilities consisted of the following:

€ thousand	2014	2013
Residual term up to 1 year	6,321	5,055
Residual term > 1 to 5 years	11,997	15,606
Residual term more than 5 years	387	1,966
Loan liabilities as of December 31, total	**18,705**	**22,627**

34 | DEFERRED INCOME FROM GRANTS AND OTHER DEFERRED INCOME

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

€ thousand	2014	2013
Deferred short-term grants	117	104
Deferred long-term grants	680	715
As of December 31	**797**	**819**

35 | PROVISIONS FOR PENSIONS

Pension obligations were calculated in accordance with IAS 19 (revised) 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, 2014 by Longial AG and Allianz Lebensversicherung AG, respectively (as in the prior year).

The most important assumptions underlying the actuarial valuation are:

%	Dec 31, 2014	Dec 31, 2013
Discounting rate(s)	2.0 to 2.1	2.75 to 3.80
Expected income from plan assets	2.75	2.75
Expected percentual salary increases	2.50	2.50
Expected percentual pension increases	1.50	1.50
Expected percentual inflation rate	2.00	2.00

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

€ thousand	2014	2013
Cash values of the defined benefit plans	11,263	8,316
Plan assets at fair value	– 169	– 353
Pension provisions as of December 31	**11,094**	**7,963**

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

€ thousand	2014	2013
Pension provisions as of January 1	7,963	8,863
Expenditure for pension obligations	457	489
Actuarial gains (–) and losses (+)	2,675	– 1,178
Disbursements from plan assets	197	4
Income from plan assets	– 13	– 13
Pension payments	– 185	– 202
Pension provisions as of December 31	**11,094**	**7,963**

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

€ thousand	2014	2013
Service period cost	161	191
Interest paid	296	298
Expected income from plan assets	– 13	– 10
Total recognized amounts	**444**	**479**

The following amounts were recognized in other consolidated earnings in fiscal year 2014:

€ thousand	2014	2013
Cumulative actuarial gains (–)/losses (+) on January 1	1,241	2,419
Addition/disposal	2,675	– 1,178
Cumulative actuarial gains (–)/losses (+) on December 31	**3,916**	**1,241**

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	2014	2013
Opening balance of plan assets recognized at fair value	353	344
Expected income from plan assets	13	10
Actuarial gains	0	3
Disbursement from plan assets	– 197	– 4
Closing balance of plan assets recognized at fair value	**169**	**353**

Pension payments in the amount of € 253 thousand are expected for fiscal year 2015. In the prior year, expected pension payments of € 403 thousand were originally recognized under current provisions for pensions. This sum has been corrected and the prior year's balance sheet was adjusted accordingly (see explanations in Note 6).

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

€ thousand	2014	2013	2012	2011	2010
Defined benefit obligation	– 11,263	– 8,316	– 9,207	– 7,149	– 6,238
Plan assets	169	353	344	333	325
Funded status	**– 11,094**	**– 7,963**	**– 8,863**	**– 6,816**	**– 5,913**

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 € 120 thousand in fiscal year 2014 (2013: € 120 thousand). The pension commitments are secured through a congruent reinsured benevolent fund.

36 | OTHER PROVISIONS

The following table provides an overview of the changes in other provisions during fiscal years 2014 and 2013.

€ thousand	2014	2013
Provisions for restoration obligations (non-current)	14.233	13.230
Other provisions (non-current)	9.404	10.761
Other provisions as of December 31	**23.637**	**23.991**
Other provisions (current)	3.600	4.014
Other current provisions as of December 31	**3.600**	**4.014**

Provisions for restoration obligations include expected expenses for the restoration and disposal of production systems and leasehold improvements. They changed as follows in fiscal years 2014 and 2013:

€ thousand	2014	2013
Provisions as of January 1	13,230	13,706
Additions/disposals	485	– 796
Compounding	295	445
Recourse	– 54	0
Currency translation	277	– 125
Provisions as of December 31	14,233	13,230

In accordance with IFRIC 1, the measurement of provisions for restoration obligations in fiscal year 2014 includes an adjustment to align discount rates with matching maturities to changes in capital markets. These adjusted interest rates lie between 0.2 % and 3.1 %. Retaining the prior year's interest rates of 0.5 % to 2.3 % would have resulted in a provision that was € 545 thousand lower (2013: € 444 thousand). The cash payments for the restoration are expected in fiscal years 2015 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 € 72 thousand (2013: € 64 thousand).

Other non-current provisions as of December 31, 2014 are primarily provisions totaling € 8,773 thousand for the obligation to process the Group's own radioactive waste and radioactive waste accepted from third parties (2013: € 7,961 thousand). Provisions are set aside according to the expected external costs for disposal and are regularly reviewed and updated. Cost calculation is based on empirical values and past costs for waste disposal. The extrapolation of historic costs for the future includes the following uncertainties associated with estimates:

- Uncertainty relating to future valuation of underlying disposal channels, the degree of usability and related external costs.
- Inability to take potential amendments in legal and/or regulatory requirements affecting both internal expenses as well as external disposal costs into account.
- Valuation risks related to the recognition of flat rates of inflation and determined discount rates.

37 | OTHER NON-CURRENT LIABILITIES

The other non-current liabilities item primarily includes non-current liabilities from a minority shareholder from the acquisition of shares totaling € 1,338 thousand (2013: € 1,620 thousand) as well as non-current liabilities from license agreement concluded in fiscal year 2013 amounting to € 2,057 thousand (2013: € 2,257 thousand).

The other non-current liabilities item continues to include two interest swaps amounting to € 864 thousand (2013: € 815 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 39. The part of these interest swaps that are likely to be due in fiscal year 2014 in the amount of € 134 thousand is disclosed under other current liabilities. This figure and the prior year's balance sheet have been adjusted accordingly (see explanations under Note 6).

38 | OTHER CURRENT LIABILITIES

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

€ thousand	2014	2013
Liabilities from wages and salaries	4,486	3,558
Liabilities from social security obligations	415	462
Liabilities to tax authorities	792	1,164
Liabilities from other deferrals	6,258	5,135
Liabilities to minority shareholders	484	309
Other liabilities	1,759	879
As of December 31	**14,194**	**11,507**

Other liabilities include an earn-out liability of an acquisition amounting to €778 thousand as of December 31, 2014.

39 | ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

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

Overview of financial assets and liabilities

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

€ thousand	2014	2013
Financial assets		
Cash and cash equivalents	21,824	29,414
Financial assets available for sale	0	22
Receivables and loans	24,209	23,562
As of December 31	**46,033**	**52,998**
Financial liabilities		
Financial liabilities at amortized cost	69,388	46,267
Derivative financial instruments	864	815
As of December 31	**70,252**	**47,082**

Securities were included under the item financial assets held for sale in the prior year.

In financial liabilities, 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 measured at amortized costs consist of the following:

LOANS AND RECEIVABLES

€ thousand		2014	2013
Trade receivables	current	23,401	20,277
Trade receivables	non-current	368	2,853
Other liabilities	non-current	440	432
As of December 31		**24,209**	**23,562**

Financial liabilities at amortized cost consist of the following:

FINANCIAL LIABILITIES AT AMORTIZED COST

€ thousand		2014	2013
Loan liabilities	current	11,426	5,055
Loan liabilities	non-current	7,279	17,572
Trade payables	current	8,220	7,779
Liabilities to employees	current	3,866	4,364
Other liabilities	current	11,106	7,277
Other liabilities	non-current	4,632	4,220
As of December 31		**46,529**	**46,267**

The composition of loan liabilities is explained in Note 35.

Fair values of financial assets and liabilities

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

	2014		2013	
€ thousand	Fair value	Book value	Fair value	Book value
Financial assets measured at cost or amortized cost				
Cash and cash equivalents	21,824	21,824	29,414	29,414
Trade receivables and other receivables	24,209	24,209	23,562	23,562
As of December 31	**46,033**	**46,033**	**52,976**	**52,976**
Financial liabilities measured at cost or amortized cost				
Trade payables	8,220	8,220	7,779	7,779
Liabilities to banks and other financial debts	18,421	18,705	24,103	22,627
Other non-derivative financial liabilities	19,604	19,604	15,861	15,861
As of December 31	**46,245**	**46,529**	**47,743**	**46,267**

The fair value of cash and cash equivalents, of current receivables, of trade payables as well as of other current liabilities corresponds approximately with the book value. 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 with a fixed interest rate (deviation from market interest rate) 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	2014	2013
Receivables	– 109	975
Measured at fair value through profit and loss	– 49	211

The "measured at fair value through profit and loss" category relates to interest rate 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				
Derivative financial instruments	0	0	– 864	– 864
As of December 31, 2014	**0**	**0**	**– 864**	**– 864**

€ thousand	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Financial assets available for sale	22	0	0	22
As of December 31, 2013	22	0	0	22
Financial liabilities measured at fair value				
Derivative financial instruments	0	0	– 815	– 815
As of December 31, 2013	0	0	– 815	– 815

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. Fundamentally, a rating is obtained for new customers and initial deliveries are made against advance payments as a matter of principle. 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 book value of financial assets as of the balance sheet date in the amount of € 23,769 thousand (2013: € 23,584 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 current trade receivables is as follows:

€ thousand	2014	2013
Europe	13,567	10,154
North America	5,670	3,956
Other	4,164	6,167
As of December 31	**23,401**	**20,277**

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

€ thousand	2014	2013
1 to 90 days	9,106	9,491
Over 90 days	3,650	2,404
	12,756	**11,895**

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	2014	2013
As of January 1	1,273	2,253
Net transfers	191	196
Recourse	– 88	– 1,171
Exchange rate effects	6	– 5
As of December 31	**1,382**	**1,273**

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, 2014, Eckert & Ziegler AG and its subsidiaries also have, if needed, credit lines amounting to € 8,000 thousand (2013: € 8,035 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.

The existing loans were paid back on schedule. In 2014, third-party financing was applied for at banks or presented by banks independently for a number of different projects. The various loan offers contain favorable terms and conditions, which leads to the conclusion that the Group has a good credit rating. 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 obligations pertaining to the maintenance of various covenants. On account of unexpectedly poor results of the Radiation Therapy segment, covenants based exclusively on this Group company's key figures were not complied with in the case of one loan agreement. The Executive Board is currently exploring its options to rectify this situation. The loan amount was fully reclassified to current liabilities.

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 — December 31, 2014

€ thousand		Book value	Cash outflow Total	Up to 1 year	1 to 5 years	Over 5 years
Loan liabilities	fixed-interest	17,572	19,427	12,260	7,167	0
Loan liabilities	variable interest	1,133	1,183	689	494	0
Trade payables	non-interest bearing	8,220	8,220	8,220	0	0
Liabilities to employees	non-interest bearing	3,866	3,866	3,866	0	0
Other liabilities	non-interest bearing	38,539	38,539	38,539	0	0
Derivative financial liabilities		864	864	142	722	0
As of December 31		**70,194**	**72,099**	**63,716**	**8,383**	**0**

ANALYSIS OF THE CONTRACTUALLY AGREED DUE DATES						December 31, 2013
		Book value	Cash outflow			
€ thousand			Total	Up to 1 year	1 to 5 years	Over 5 years
Loan liabilities	fixed-interest	20,564	24,202	5,686	17,867	649
Loan liabilities	variable interest	2,063	2,124	1,707	417	0
Trade payables	noninte-rest bearing	7,779	7,779	7,747	32	0
Liabilities to employees	noninte-rest bearing	4,364	4,364	4,364	0	0
Other liabilities	noninte-rest bearing	11,497	11,497	9,877	1,071	549
Derivative financial liabilities		815	815	134	681	0
As of December 31		**47,082**	**50,781**	**29,515**	**20,068**	**1,198**

The cash outflows for liabilities with variable interest rates are based on an interest rate in 2014 of 2.7 % (2013: 2.5 %).

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.

When necessary, export transactions denominated in Polish złoty 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:

Foreign exchange exposure converted in € thousand	December 31, 2014				December 31, 2013			
	USD	GBP	PLN	CZK	USD	GBP	PLN	CZK
Currency	8,775	222	141	151	9,819	396	185	218
Trade receivables	7,061	585	513	174	5,276	747	747	50
Trade payables	– 3,005	– 77	– 123	– 39	– 912	– 217	– 66	– 1
Balance sheet exposure	12,831	730	531	286	**14,183**	**926**	**866**	**267**

Balance sheet exposure equates to net exposure, as no currency swaps existed at the respective reporting dates.

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, 2014				December 31, 2013			
Effect in € thousand	USD	GBP	PLN	CZK	USD	GBP	PLN	CZK
Aggregate result	– 1,283	– 73	– 53	– 29	– 1,418	– 93	– 87	– 27

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 twelve 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.

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 ten 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.

The fair value of these swap transactions as of December 31, 2014 is € –864 thousand (2013: € –815 thousand) and is disclosed 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 interest-bearing assets and debt:

€ thousand	2014	2013
Interest-bearing financial assets	2,055	2,098
thereof variable-interest	79	371
thereof fixed-interest	1,976	1,727
Interest-bearing financial liabilities	18,705	22,627
thereof variable-interest	1,133	2,063
thereof fixed-interest	17,572	20,564

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

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:

	2014		2013	
Effect in € thousand	+ 100 base points	– 100 base points	+ 100 base points	– 100 base points
Interest results for variable-interest financial instruments	190	– 228	341	– 364

Capital management

Eckert & Ziegler AG (parent company) is subject to the provisions of German Company and commercial law regarding minimum capitalization in accordance with Section 92 of the 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 2014.

The Group pursues a conservative investment and borrowing policy geared towards flexibly and maintains a well-balanced investment and financing portfolio. The Group is not subject to any external capital requirements. The core objectives in financial management are securing the Group's liquidity and creditworthiness, including guaranteeing access to the capital market at all times, and increasing the value over the company over the long term.

Measures to achieve these goals include optimizing the capital structure, the dividend policy, acquisitions, and, if necessary, equity measures. Capital requirements and capital procurement should be coordinated in a manner that takes requirements in terms of earnings, liquidity, security and autonomy into appropriate consideration. The Group's overall strategy remains unchanged from 2013.

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.

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.

40 | OPERATING ACTIVITIES

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

41 | 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, plant and equipment, and securities from current assets that are not part of liquid funds.

In fiscal year 2014, the Group acquired 100 % of shares in REM Industry and Commerce Ltda. (subsequently renamed Eckert & Ziegler Brazil Comercial Ltda.). The total purchase price stood at BRL 3,678 thousand (€ 1,178 thousand), of which one due installment of BRL 2,452 thousand (€ 785 thousand) was paid in cash in fiscal year 2014. Within the scope of this acquisition, cash in the amount of BRL 17 thousand (€ 5 thousand) was assumed (see also Note 43).

42 | 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.

Paid and received interest is also reported as cash flow from financing activities in accordance with the option defined under IAS 7.33.

Other disclosures

43 | ACQUISITIONS AND SALES OF COMPANIES

a) **Acquisition of Eckert & Ziegler Brazil Comercial Ltda. in fiscal year 2014**

On March 19, Eckert & Ziegler Brasil Participacoes Ltda. concluded an agreement to acquire all shares in TOF Comercial Ltda., Sao Paulo, Brazil from Brazilian company REM Industry and Commerce Ltda. The purchase price for the company stood at USD 1,643 thousand (BRL 3,678 thousand). The purchase price is to be paid in three installments, the first of which totals USD 1,099 thousand (BRL 2,452 thousand) and was due and paid on September 1, 2014. The acquisition therefore came into force as of September 1, 2014, and TOF Comercial Ltda. was subsequently renamed Eckert & Ziegler Brazil Comercial Ltda.

The other two installments of the agreed purchase price, which amount to USD 454 thousand (BRL 1,022 thousand) and USD 90 thousand (BRL 204 thousand), are only due once certain conditions laid out in the purchase agreement are fulfilled. Costs incurred in relation to the acquisition came to € 146 thousand and were recognized as expenses in general administrative costs.

The acquisition was included in the consolidated financial statements in accordance with the acquisition method. The purchase price was distributed across the acquired assets and assumed debt on the basis of the estimated fair value at the time of the acquisition. The purchase price distribution resulted in goodwill totaling BRL 1,607 thousand, which was not deemed a tax deductible. The distribution of the purchase price on the basis of estimated fair values of assets and debt was carried out as follows:

BRL thousand	Book value at the time of purchase	Reclassification	Current value at the time of purchase
Intangible assets	6	2,432	2,438
Property, facilities, and equipment	497	0	497
Receivables	1,465	0	1,465
Cash in hand and at bank	17	0	17
Liabilities	– 1,519	0	– 1,519
Deferred taxes	0	– 827	– 827
Net assets	**466**	**1,605**	**2,071**
Purchase price	– 3,678		– 3,678
Goodwill			**– 1,607**

The acquisition of Eckert & Ziegler Brazil Comercial Ltda. saw the assumption of cash and cash equivalents totaling BRL 17 thousand, meaning that net cash flow from the acquisition came to BRL -2,435 thousand. Since the initial consolidation, revenues in the amount of € 967 thousand and a loss of € 351 thousand have been recognized in the 2014 consolidated financial statements. If the company had been included in the consolidated financial statements from January 1, 2014, consolidated sales would have been € 2,201 thousand higher and the loss would have been € 361 thousand higher.

b) **Acquisition of Chemotrade Chemiehandelsgesellschaft mbH in fiscal year 2013**

c) On February 15, 2013, Eckert & Ziegler Isotope Products Holdings GmbH acquired all shares in Chemotrade Chemiehandelsgesellschaft, Düsseldorf, Germany. The purchase price for the company, paid in cash, stood at € 490 thousand, excluding a contingent purchase price liability of € 56 thousand, which was calculated on the basis of forecast revenues for the period from 2014 to 2018. Costs incurred in relation to the acquisition came to € 2 thousand and were recognized as expenses in general administrative costs.

The acquisition was included in the consolidated financial statements in accordance with the acquisition method. The purchase price was distributed across the acquired assets and assumed debt on the basis of the estimated fair value at the time of the acquisition. The purchase price distribution resulted in goodwill totaling € 339 thousand, which was not deemed a tax deductible. The distribution of the purchase price on the basis of estimated fair values of assets and debt was carried out as follows:

€ thousand	Book value at the time of purchase	Reclassification	Current value at the time of purchase
Intangible assets	0	137	137
Property, facilities, and equipment	2	0	2
Receivables	486	0	486
Cash in hand and at bank	11	0	11
Liabilities	– 388	0	– 388
Deferred taxes	0	– 41	– 41
Net assets	**111**	**96**	**207**
Purchase price	– 546		– 546
Goodwill			**– 339**

The acquisition of Chemotrade GmbH saw the assumption of cash and cash equivalents totaling € 11 thousand, meaning that net cash flow from the acquisition came to € –535 thousand. Since the initial consolidation, revenues in the amount of € 1,028 thousand and a loss of € 60 thousand have been recognized in the 2013 consolidated financial statements. If the company had been included in the consolidated financial statements from January 01, 2013, consolidated sales would have been € 147 thousand higher and the loss would have been € 67 thousand higher.

d) Acquisition of the Waste Disposal segment of Energy Solutions EU in fiscal year 2013

In May 2013, Eckert & Ziegler Environmental Services Ltd. acquired the Waste Disposal segment of British company Energy Solutions EU effective as of June 1, 2013. The purchase price for the acquired assets and debt amounted to GBP 2 and was paid in cash. Costs incurred in relation to the acquisition came to € 3 thousand and were recognized as expenses in general administrative costs.

The acquisition was included in the consolidated financial statements in accordance with the acquisition method. The purchase price was distributed across the acquired assets and assumed debt on the basis of the estimated fair value at the time of the acquisition. The purchase price distribution resulted in goodwill totaling € 27 thousand, which was not deemed a tax deductible.

The distribution of the purchase price on the basis of estimated fair values of assets and debt was carried out as follows:

€ thousand	Book value at the time of purchase	Reclassification	Current value at the time of purchase
Deferred taxes	0	8	8
Liabilities	0	– 35	– 35
Net assets	**0**	**– 27**	**– 27**
Purchase price	0		0
Goodwill			**– 27**

Since the initial consolidation, revenues in the amount of € 1,609 thousand and a loss of € 146 thousand have been recognized in the 2013 consolidated financial statements. If the company had been included in the consolidated financial statements since January 1, 2013, consolidated sales would have been € 891 thousand higher and profit would have been € 18 thousand higher. The goodwill was depreciated to the full amount of € 27 thousand as a result of the impairment test, as the recoverable value is zero.

e) Acquisition of BSM Diagnostica Gesellschaft m.b.H. in fiscal year 2013

Effective as of July 1, 2013, Eckert & Ziegler Radiopharma GmbH acquired all shares in BSM Diagnostika Gesellschaft m.b.H, Vienna, Austria (including its two wholly owned subsidiaries Comtec Laborgeräte GmbH and MEDPRO Vertrieb medizinisch-diagnostische Produkte Gesellschaft m.b.H.). The purchase price for the company stood at € 1,500 thousand and was paid in cash. Costs relating to the acquisition stood at € 20 thousand and were recognized as expenses in general administrative costs.

The acquisition was included in the consolidated financial statements in accordance with the acquisition method. The purchase price was distributed across the acquired assets and assumed debt on the basis of the estimated fair value at the time of the acquisition. The purchase price distribution resulted in goodwill totaling € 257 thousand, which was not deemed a tax deductible. The distribution of the purchase price on the basis of estimated fair values of assets and debt was carried out as follows:

€ thousand	Book value at the time of purchase	Reclassification	Current value at the time of purchase
Intangible assets	9	995	1,004
Property, facilities, and equipment	131		131
Receivables	1,282		1,282
Cash in hand and at bank	304		304
Liabilities	– 1,229		– 1,229
Deferred taxes	0	– 249	– 249
Net assets	**497**	**746**	**1,243**
Purchase price	– 1,500		– 1,500
Goodwill			**– 257**

The acquisition of BSM saw the assumption of cash and cash equivalents totaling € 304 thousand, meaning that net cash flow from the acquisition came to € –1,196 thousand. Since the initial consolidation, revenues in the amount of € 2,964 thousand and a profit of € 104 thousand were recognized in the 2013 consolidated financial statements. If the company had been included in the consolidated financial statements since January 1, 2013, consolidated sales would have been € 2,964 thousand higher and profit would have been € 588 thousand higher.

f) Acquisition of the Brachytherapy segment of Biocompatibles Inc. in fiscal year 2013

In November 2013, Eckert & Ziegler BEBIG Inc. acquired the Brachytherapy segment of US company Biocompatibles Inc. and subsequently transferred it to BEBIG S.A. The purchase price for the company, paid in cash, stood at USD 5.0 million (€ 3,657 thousand), excluding a contingent purchase price liability of USD 2.0 million (€ 1,492 thousand).

The contingent purchase price liability was calculated on the basis of forecast revenues and taken into consideration as a liability in the purchase price distribution. Costs incurred in relation to the acquisition came to € 30 thousand and were recognized as expenses in general administrative costs.

The acquisition was included in the consolidated financial statements in accordance with the acquisition method. The purchase price was distributed across the acquired assets and assumed debt on the basis of the estimated fair value at the time of the acquisition. Distribution was provisional in accordance with IFRS 3.45. The purchase price distribution resulted in goodwill totaling € 1,812 thousand, which was deemed a tax deductible in accordance with US tax law. The distribution of the purchase price on the basis of estimated fair values of assets and debt was carried out temporarily in fiscal year 2013 as follows:

€ thousand	Book value at the time of purchase	Reclassification	Current value at the time of purchase
Intangible assets*	2,756		2,756
Property, facilities, and equipment	227		227
Receivables	58		58
Other assets	296		296
Liabilities	– 1,492		– 1,492
Net assets	1,845	0	1,845
Purchase price	**– 3,657**		**– 3,657**
Goodwill			– 1,812

* *Intangible assets were initially recognized on the basis of the purchase price distribution in the purchase agreement.*

The acquisition of the segment saw the assumption of no cash or cash equivalents, meaning that net cash flow from the acquisition came to € –3,657 thousand. Since the initial consolidation, revenues of € 52 thousand and a loss of € 214 thousand were included in the 2013 consolidated financial statements. If the company had been included in the consolidated financial statements from January 1, 2013, consolidated sales would have been € 8,000 thousand higher and the earnings contribution would have come to € 0 thousand. These figures are based on the segment's figures for fiscal year 2012 and do not take into account the voluntarily stoppage of business activities between May and November 2013. If revenues and earnings generated within this period had been included in the consolidated financial statements, this would have contributed a major loss; however, precise figures were not provided by the seller.

In fiscal year 2014, the initially provision distribution of the purchase price in the prior year was finalized. The final distribution of the purchase price on the basis of estimated fair values of assets and debt is as follows:

€ thousand	Book value at the time of purchase	Reclassification	Current value at the time of purchase
Intangible assets	0	983	983
Property, facilities, and equipment	227	0	227
Inventories	287	166	453
Receivables	58	0	58
Other assets	9	0	9
Liabilities	0	– 1,492	– 1,492
Deferred taxes	0	– 79	– 79
Net assets	**581**	**– 422**	**159**
Purchase price	– 3,657		– 3,657
Goodwill			**– 3,498**

g) Acquisition of Mick Radio-Nuclear Instruments Inc. in fiscal year 2013

On November 5, 2013, Eckert & Ziegler BEBIG Inc. acquired Mick Radio-Nuclear Instruments Inc., Mt. Vernon, USA. The purchase price for the company totaled USD 3.0 million (€ 2,194 thousand) and was paid in cash. Costs incurred in relation to the acquisition came to € 20 thousand and were recognized as expenses in general administrative costs.

The acquisition was included in the consolidated financial statements in accordance with the acquisition method. The purchase price was distributed across the acquired assets and assumed debt on the basis of the estimated fair value at the time of the acquisition. Distribution is provisional in accordance with IFRS 3.45. The purchase price distribution resulted in goodwill totaling € 1,939 thousand, which was deemed a tax deductible in accordance with US tax law. The distribution of the purchase price on the basis of estimated fair values of assets and debt was carried out temporarily in fiscal year 2013 as follows:

€ thousand	Book value at the time of purchase	Reclassification	Current value at the time of purchase
Intangible assets	10		10
Property, facilities, and equipment	30		30
Receivables	583		583
Other assets	430		430
Cash in hand and at bank	447		447
Liabilities	– 1,245		– 1,245
Net assets	**255**	**0**	**255**
Purchase price	– 2,194		– 2,194
Goodwill			**– 1,939**

The acquisition of Mick Radio-Nuclear Instruments Inc. saw the assumption of cash and cash equivalents totaling € 447 thousand, meaning that net cash flow from the acquisition came to € 1,747 thousand. Since the initial consolidation, revenues of € 421 thousand and a loss of € 87 thousand were included in the 2013 consolidated financial statements.

If the company had been included in the consolidated financial statements since January 1, 2013, consolidated sales would have been € 4,091 thousand higher and profit would have been € 182 thousand higher.

In fiscal year 2014, the initially provision distribution of the purchase price in the prior year was finalized. The final distribution of the purchase price on the basis of estimated fair values of assets and debt is as follows:

€ thousand	Book value at the time of purchase	Reclassification	Current value at the time of purchase
Intangible assets	10	768	778
Property, facilities, and equipment	30	0	30
Inventories	372	326	698
Receivables	583	0	583
Other assets	58	0	58
Cash in hand and at bank	447	0	447
Liabilities	– 1,244	0	– 1,244
Deferred taxes	0	– 383	– 383
Net assets	**256**	**711**	**967**
Purchase price	– 2,194		– 2,194
Goodwill			**– 1,227**

A performance-related purchase price component was agreed with the seller within the scope of the acquisition. The adjustment of this component of the purchase price as of December 31, 2014 resulted in earnings in fiscal year 2014 of € 376 thousand, which is reported in the income statement under other operating income.

44 | 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.

There were no outstanding stock options as of December 31, 2013. The employee share purchase program is completed, so no further stock options will be issued.

45 | LEASING ARRANGEMENTS

Financial obligations as lessee
The Group has only concluded contracts not to be capitalized (operating leases) for equipment, vehicles, and property and buildings. As of December 31 of fiscal years 2014 and 2013, rental and lease expenses for operating leases amounted to € 2,739 thousand and € 2,341 thousand, respectively.

As of December 31, 2014, the future minimum rent payments on non-cancellable operating leases (with initial or residual periods to maturity of more than one year) total the following amounts:

€ thousand	Rent and lease agreements
As of the end of the respective year (December 31)	
2015	2,906
2016	2,201
2017	1,821
2018	1,395
2019	912
danach	5,875
Minimum rent or lease payments, total	**15,110**

There are no conditional rental payments in the period under review or in the future. Furthermore, the agreements contain no restrictions or obligations.

46 | OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES AND RECEIVABLES

In the case of a contractual relationship between a company of the Eckert & Ziegler Group and an external company, there are differing views over the distribution of costs for future expenses. As of the reporting date, the provisions only contain the value of the expenses expected to be borne by the Eckert & Ziegler Group. Any expenses beyond this amount are not deemed to be probable.

47 | SEGMENTAL REPORT

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 three 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 and in oil exploration. They are sold to the manufacturers or operators of systems. The medical radiation sources include radioactive sources for the calibration of gamma cameras. 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.

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. Eckert & Ziegler is European market-leader in this area. Another fundamental component of the segment is low- and high-dose rate radiotherapy devices. Production is concentrated on Germany and the USA, whereas the products are sold worldwide.

The products of the Radiopharma segment, with sites in Berlin, Holzhausen, Bonn, Braunschweig, Germany, and Washington, USA, 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 Brunswick and accepts orders from all parts of the world.

The Other segment contains Environmental Services, which were reported separately in the prior year and which encompass the removal, treatment, and conditioning of isotope-related waste materials. This segment also includes the items of the holding company Eckert & Ziegler Strahlen- und Medizintechnik AG. The prior-year figures in the following tables have been adjusted in accordance with IFRS 8.29 in line with the change in composition of the segments.

SEGMENTAL REPORT

€ thousand	Isotope Products 2014	Isotope Products 2013	Radiation Therapy 2014	Radiation Therapy 2013	Radiopharma 2014	Radiopharma 2013	Others 2014	Others 2013	Elimination 2014	Elimination 2013	Total 2014	Total 2013
Sales to external customers	59,496	53,714	28,829	27,838	32,296	28,273	6,635	7,313	0	0	127,256	117,138
Sales to other segments	1,955	3,600	169	91	54	163	5,635	5,074	– 7,813	– 8,928	0	0
Total segment sales	**61,451**	**57,314**	**28,998**	**27,929**	**32,350**	**28,436**	**12,270**	**12,387**	**– 7,813**	**– 8,928**	127,256	117,138
Results from shares measured at equity					– 609	– 183					– 609	– 183
Segment profit/loss before interest and income taxes (EBIT)	14,732	13,518	– 1,649	1,615	2,549	2,380	– 2,632	– 5,417	– 44	49	12,956	12,145
Interest income	277	247	340	944	1	112	946	1,420	– 1,096	– 1,409	468	1,314
Interest expense	– 360	– 442	– 556	– 347	– 1,264	– 1,155	– 588	– 536	1,140	1,292	– 1,628	– 1,188
Income taxes	– 4,427	– 3,656	– 1,422	1,008	– 684	– 271	1,234	1,095	0	0	– 5,299	– 1,824
Profit/loss before minority interests	10,222	9,667	– 3,287	3,220	602	1,066	– 1,040	– 3,438	0	– 68	6,497	10,447

SEGMENTAL REPORT

€ thousand	Isotope Products 2014	Isotope Products 2013	Radiation Therapy 2014	Radiation Therapy 2013	Radiopharma 2014	Radiopharma 2013	Others 2014	Others 2013	Total 2014	Total 2013
Segmental assets	90,362	94,570	55,154	59,561	36,667	36,744	97,061	98,009	279,244	288,884
Elimination of intersegmental shares, equity investments and receivables									– 91,915	– 110,477
Consolidated total assets									187,329	178,407
Segmental liabilities	– 47,228	– 47,397	– 23,485	– 24,471	– 35,684	– 35,790	– 13,784	– 8,678	– 120,181	– 116,336
Elimination of intersegmental liabilities									27,342	28,194
Consolidated liabilities									– 92,839	– 88,142
Interest in associates	2,493				2,830	3,439			5,323	3,439
Investments (without acquisitions)	1,783	1,630	2,189	1,931	2,432	5,532	1,373	540	7,777	9,633
Depreciation	– 2,547	– 2,520	– 2,093	– 3,273	– 1,586	– 1,814	– 917	– 1,580	– 7,143	– 9,187
Other non-cash income (+)/expenses (–)	1,982	1,428	– 1,662	522	– 354	2,601	– 490	176	– 524	4,727

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT ACCORDING TO REGIONS

€ thousand	2014	2013
Germany	48,484	46,782
USA	27,712	25,108
Belgium	5,489	5,559
Others	11,014	8,807
Total	**92,699**	**86,256**

EXTERNAL SALES ACCORDING TO GEOGRAPHICAL REGIONS

	2014 € million	2014 %	2013 € million	2013 %
Europe	67.6	53	68.9	59
North America	41.6	33	32.8	28
Asia/Pacific	11.8	9	11.3	10
Others	6.3	5	4.1	3
Total	**127.3**	**100**	**117.1**	**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.

48 | 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 2014 for Group strategy, finance, capital market communications, as well as for the Isotope Products and Other segments), Wandlitz, Germany, merchant
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 2014 for the Radiation Therapy segment), Berlin, Germany, medical physicist
On other boards: member of the Board of Directors of Eckert & Ziegler Isotope Products Inc. (IPL), Valencia, CA, 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 2014 for Human Resources and the Radiopharma segment), Berlin, Germany, 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

Other members of the management in key positions
Dr. Gunnar Mann (responsible in 2014 for the Radiation Protection, Information Technology and Infrastructure and for the Environmental Services and Other segments)

Axel Schmidt (CEO and minority shareholder of Eckert & Ziegler f-con Deutschland GmbH in 2014)

Frank Yeager (president of Eckert & Ziegler Isotope Products Inc. in 2014)

Joseph Hathcock (vice-president of Eckert & Ziegler Isotope Products Inc. in 2014)

Ivan Simmer (CEO and minority shareholder of Eckert & Ziegler Cesio s.r.o. in 2014)

Supervisory Board
The members of the Group's Supervisory Board in fiscal year 2014 were:

Prof. Dr. Wolfgang Maennig (Chairman), Berlin, Germany, university professor
On other supervisory boards: member of the Supervisory Board of GRETA AG, Hasloh, Germany (until November 2014)

Prof. Dr. Nikolaus Fuchs (Vice-Chairman), Berlin, Germany, Managing Partner in Lexington Consulting GmbH and of other companies and entrepreneur
On other supervisory boards: member of the Supervisory Board of Berliner Volksbank eG

Hans-Jörg Hinke, Berlin, Germany, Managing Partner in CARISMA Wohnbauten GmbH
On other supervisory boards: none

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

Prof. Dr. Detlev Ganten, Berlin, Germany, Chairman of the Trustees of Charité Berlin, Chairman of the Trustees of the Max-Planck Institute für Kolloid- und Grenzflächenforschung (MPI-KG), Potsdam, Germany
On other supervisory boards: member of the Supervisory Board of Glyco Universe GmbH & Co KGaA, Berlin, Germany

Dr. Fritz Oesterle, Stuttgart, attorney
(on the Supervisory Board of Eckert & Ziegler AG until July 31, 2014)
On other supervisory boards: member of the Supervisory Board of Landesbank Baden-Württemberg, Stuttgart; Chairman of the Supervisory Board of Untertürkheimer Volksbank e.G., Stuttgart, Germany, Chairman of the Supervisory Board of CEPD N.V., Amsterdam, the Netherlands

Prof. Dr. Helmut Grothe, Wandlitz, Germany, attorney, professor at the Freie Universität Berlin (on the Supervisory Board of Eckert & Ziegler AG since July 31, 2014)
On other supervisory boards: none

b) Other related companies and parties

- Eckert Wagniskapital und Frühphasenfinazierung GmbH (EWK), which holds 32.2 % 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.
- Eckert Life Science Accelerator GmbH (ELSA), which is a wholly owned subsidiary of Eckert Wagniskapital und Frühphasenfinanzierung GmbH.
- OctreoPharm Sciences GmbH (company consolidated at equity)

In 2014 and 2013, the following transactions were completed with these related parties, all of which took place at arm's length terms and conditions.

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 € 11 thousand for Eckert & Ziegler AG in fiscal year 2014 (2013: € 11 thousand). Eckert Wagniskapital und Frühphasenfinanzierung GmbH transferred this agreement to its subsidiary Eckert Life Science Accelerator GmbH effective as of January 1, 2013.

In October 2013, Eckert & Ziegler AG concluded a further loan agreement with Eckert Wagniskapital and Frühphasenfinanzierung GmbH (EWK) of a maximum of € 400 thousand, of which € 368 thousand has so far been paid out to EWK. The loan has a term until December 31, 2017 and an interest rate of 3.25 %. This resulted in interest income of € 12 thousand for Eckert & Ziegler AG in fiscal year 2014 (2013: € 2 thousand).

In fiscal year 2014, Eckert Life Science Accelerator GmbH provided services to Eckert & Ziegler AG amounting to € 7 thousand (2013: € 14 thousand) in relation to the investment in OctreoPharm Sciences GmbH. As of December 31, 2014, liabilities to Eckert Life Science Accelerator GmbH stood at € 9 thousand (2013: € 17 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, Germany. Eckert & Ziegler AG was the general contractor for this purpose and received remuneration of € 264 thousand in fiscal year 2013 for this activity. Following the completion of the building, Eckert & Ziegler AG, Eckert & Ziegler BEBIG GmbH, Eckert & Ziegler Radiopharma GmbH, and Eckert & Ziegler EUROTOPE GmbH rented parts of it in October 2012. In fiscal year 2014, rent and auxiliary rental costs of € 975 thousand (2013: € 864 thousand) were incurred.

In fiscal year 2013, Eckert & Ziegler Radiopharma GmbH acquired shares and options for further shares in OctreoPharm Sciences GmbH within the scope of a capital increase and, in return, contributed cash, receivables and a sublicensing agreement to OctreoPharm Sciences GmbH. This contribution resulted in earnings adjusted for non-realized interim profits of € 2,148 thousand at Eckert & Ziegler GmbH. In fiscal year 2014, Group companies performed services and goods deliveries for OctreoPharm Sciences GmbH in the amount of € 74 thousand (2013: € 183 thousand). As of December 31, 2014, the receivables due from OctreoPharm Sciences GmbH amounted to € 4 thousand (2013: € 1 thousand).

Companies in the Radiation Therapy segment concluded a consulting agreement with the wife of a member of the management. Consulting services of € 42 thousand (2013: € 63 thousand) were claimed within the scope of this agreement. Liabilities resulting from this agreement stood at € 8 thousand as of December 31, 2014 (2013: € 0 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 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 € 1,550 thousand in fiscal year 2014 (2013: € 1,312 thousand). In addition, Eckert & Ziegler BEBIG S.A. received interest and principle repayments of € 292 thousand (2013: € 0 thousand) in fiscal year 2014 in relation to a loan resulting from the conversion of receivables. As of December 31, 2014, the receivables due from OOO BEBIG amounted to € 1,920 thousand (2013: € 1,945 thousand).

As of December 31 of fiscal years 2014 and 2013, 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	2014	2013
Trade receivables due from related parties and companies	2,230	2,327
Trade payables due from related parties and companies	9	17

49 | DISCLOSURES ON THE REMUNERATION OF BOARD MEMBERS

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

Executive Board remuneration

In fiscal year 2014, the members of the Executive Board received total remuneration of € 1,145 thousand (2013: € 1,180 thousand). This represents a decrease of 3 % compared to the prior year. Of this total remuneration, € 756 thousand (2013: € 730 thousand) was attributed to fixed salary components and € 389 thousand (2013: € 450 thousand) to variable salary components.

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

Name	Fixed components		Variable components	Total
€ thousand	Fixed salary	Benefits in kind	Profit sharing/ bonus	
Dr. Andreas Eckert	300 (2013: 300)	31 (2013: 29)	217 (2013: 212)	548 (2013: 541)
Dr. Edgar Löffler	186 (2013: 186)	30 (2013: 37)	35 (2013: 96)	251 (2013: 319)
Dr. André Heß	180 (2013: 150)	29 (2013: 28)	137 (2013: 142)	346 (2013: 320)

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 € 484 thousand (2013: € 379 thousand, each calculation based on IFRS). In fiscal year 2014, pension payments were made to this former Executive Board member in the amount of € 32 thousand (2013: € 32 thousand).

Supervisory Board remuneration

In fiscal year 2014, members of the Supervisory Board received fixed remuneration totaling € 75 thousand (2013: € 75 thousand) and attendance fees in the amount of € 27 thousand (2013: € 31 thousand). This equates to total expenses of € 102 thousand (2013: € 106 thousand).

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

Name	Remunerated function	Fixed remuneration	Attendance fees	Total
€ thousand				
Prof. Dr. Wolfgang Maennig	Chairman of the Supervisory Board	20 (2013: 20)	5 (2013: 5)	25 (2013: 25)
Prof. Dr. Nikolaus Fuchs	Deputy Chairman of the Supervisory Board	15 (2013: 15)	5 (2013: 6)	20 (2013: 21)
Hans-Jörg Hinke	Member of the Supervisory Board	10 (2013: 10)	5 (2013: 6)	15 (2013: 16)
Dr. Gudrun Erzgräber	Member of the Supervisory Board	10 (2013: 10)	5 (2013: 6)	15 (2013: 16)
Prof. Dr. Detlev Ganten	Member of the Supervisory Board	10 (2013: 10)	2 (2013: 4)	12 (2013: 14)
Dr. Fritz Oesterle	Member of the Supervisory Board (until July 31, 2014)	6 (2013: 10)	3 (2013: 4)	9 (2013: 14)
Prof. Dr. Helmut Grothe	Member of the Supervisory Board (from July 31, 2014)	4 (2013: 0)	2 (2013: 0)	6 (2013: 0)

No remuneration or benefits were paid to Supervisory Board members for services, in particular consulting and brokerage services, rendered outside of their activities on the Supervisory Board in the period under review.

50 | EVENTS AFTER THE REPORTING DATE

After the reporting date, no events occurred which materially affected the net assets, financial position or results of operations of the company.

Disclosures as per section 315a (1) HGB

51 | OTHER INCOME/EXPENSES

Other income/expenses include income relating to other periods from the sale of fixed assets amounting to € 18 thousand (2013: € 13 thousand) and expenses relating to other periods from losses due to the sale of fixed assets in the amount of € 30 thousand (2013: € 52 thousand).

52 | AUDITOR'S FEES

Auditor's fees include the fee for the year-end financial audit of the 2014 annual and consolidated financial statements in the amount of € 100 thousand (2013: € 287 thousand). The auditors also received remuneration for other services totaling € 3 thousand.

53 | DECLARATION PURSUANT TO SECTION 161 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 16, 2015

Eckert & Ziegler Strahlen- und Medizintechnik AG
The Executive Board

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

Statement of changes in fixed assets

STATEMENT OF CHANGES IN FIXED ASSETS AS OF DECEMBER 31, 2014

	Cost						
€ thousand	As of Jan. 1, 2014	Additions from company acquisitions	Other additions	Disposals	Reclassifi-cations	Currency translation	As of Dec. 31, 2014
NON-CURRENT ASSETS							
I. Intangible assets							
1. Goodwill	40,371	569	0	0	969	2,003	43,912
2. Acquired intangible assets	30,226	524	613	16	– 969	1,267	31,645
3. Internally generated intangible assets	8,318	0	1,343	0	0	– 1	9,660
4. Prepayments made	0	0	4	0	0	0	4
	78,915	**1,093**	**1,960**	**16**	**0**	**3,269**	**85,221**
II. Property, plant and equipment							
1, Buildings on third-party land	15,824	0	370	4,145	3,252	876	16,177
2. Technical plant and machinery	41,453	120	2,098	502	6,170	874	50,213
3. Other plants and equipment fixtures and fittings	10,796	41	1,801	533	51	151	12,307
4. Assets under construction	9,139	0	3,133	16	– 9,473	12	2,795
	77,212	**161**	**7,402**	**5,196**	**0**	**1,913**	**81,492**
	156,127	**1,254**	**9,362**	**5,212**	**0**	**5,182**	**166,713**

Depreciation and amortization							Net carrying amount	
As of Jan. 1, 2014	Additions	Impair-ments	Disposals	Reclassifi-cations	Currency translation	**As of Dec. 31, 2014**	**As of Jan. 1, 2014**	**As of Dec. 31, 2014**
5,465	0	0	0	0	126	5,591	34,906	38,321
16,786	2,176	0	15	0	883	19,830	13,440	11,815
3,950	233	0	0	0	– 1	4,182	4,368	5,478
0	0	0	0	0	0	0	0	4
26,201	**2,409**	**0**	**15**	**0**	**1,008**	**29,603**	**52,714**	**55,618**
6,573	842	0	3,170	0	385	4,630	9,251	11,547
29,099	2,837	0	506	– 40	612	32,002	12,354	18,211
7,998	1,054	0	486	40	135	8,741	2,798	3,566
0	0	0	0	0	0	0	9,139	2,795
43,670	**4,733**	**0**	**4,162**	**0**	**1,132**	**45,373**	**33,542**	**36,119**
69,871	**7,142**	**0**	**4,177**	**0**	**2,140**	**74,976**	**86,256**	**91,737**

STATEMENT OF CHANGES IN FIXED ASSETS AS OF DECEMBER 31, 2013 (adjusted)

	Cost						
€ thousand	As of Jan. 1, 2013	Additions from company acquisitions	Other additions	Disposals	Reclassifi-cation	Currency translation	As of Dec. 31, 2013
NON-CURRENT ASSETS							
I. Intangible assets							
1. Goodwill	36,640	4,374	0	0	0	– 643	40,371
2. Acquired intangible assets	24,046	3,907	2,884	1,203	1,003	– 411	30,226
3. Internally generated intangible assets	7,615	0	1,974	957	– 304	– 10	8,318
4. Prepayments made	1,479	0	0	780	– 699	0	0
	69,780	**8,281**	**4,858**	**2,940**	**0**	**– 1,064**	**78,915**
II. Property, plant and equipment							
1, Buildings on third-party land	15,466	0	91	99	652	– 286	15,824
2. Technical plant and machinery	40,397	220	1,240	1,749	1,764	– 419	41,453
3. Other plant and equipment fixtures and fittings	10,541	140	838	796	137	– 64	10,796
4. Assets under c onstruction	6,180	30	5,541	0	– 2,553	– 59	9,139
	72,584	**390**	**7,710**	**2,644**	**0**	**– 828**	**77,212**
	142,364	**8,671**	**12,568**	**5,584**	**0**	**– 1,892**	**156,127**

Depreciation and amortization							Net carrying amount	
As of Jan. 1, 2013	Additions	Impairments	Disposals	Reclassifications	Currency translation	As of Dec. 31, 2013	As of Jan. 1, 2013	As of Dec. 31, 2013
5,518	0	27	0	0	– 80	5,465	31,122	34,906
14,073	3,144	556	1,187	446	– 246	16,786	9,973	13,440
4,370	56	937	937	– 446	– 30	3,950	3,245	4,368
0	0	737	737	0	0	0	1,479	0
23,961	**3,200**	**2,257**	**2,861**	**0**	**– 356**	**26,201**	**45,819**	**52,714**
5,984	785	0	82	0	– 114	6,573	9,482	9,251
27,727	2,436	0	792	0	– 272	29,099	12,670	12,354
7,715	1,109	0	775	0	– 51	7,998	2,826	2,798
0	0	0	0	0	0	0	6,180	9,139
41,426	**4,330**	**0**	**1,649**	**0**	**– 437**	**43,670**	**31,158**	**33,542**
65,387	**7,530**	**2,257**	**4,510**	**0**	**– 793**	**69,871**	**76,977**	**86,256**

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, den 26. März 2015

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 balance sheet, the statement of comprehensive income, the income statement, the statement of changes in equity, the cash flow statement and the notes to the financial statements – and the Group management report, for the fiscal year from January 1, 2014 to December 31, 2014. 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 company's legal representatives. 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 standards 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 examined primarily on a random spot test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in the consolidation, the accounting and consolidation principles used, and significant estimates made by the legal representatives, 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 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 17, 2015

BDO AG
Wirtschaftsprüfungsgesellschaft

gez. Rehmer	gez. Weisner
Wirtschaftsprüfer	Wirtschaftsprüferin
(German public auditor)	(German public auditor)

Individual financial statements of the Eckert & Ziegler AG

INCOME STATEMENT FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2014

€ thousand	2013	2014
1. Revenues	3,891	3,930
2. Other operating income	2,065	500
	5,956	**4,430**
3. Staff costs		
a) Wages and salaries	– 2,283	– 2,290
b) Social security contributions and expenditure on pensions and old-age support	– 282	– 317
of which for pensions: € 17 thousand (previous year: € 11 thousand)		
	– 2,565	– 2,607
4. Depreciations on intangible assets of the fixed assets and property, facilities and equipment	– 1,238	– 537
5. Other operating expenses	– 3,143	– 2,141
6. Income from profit-transfer agreements	6,570	4,876
7. Income from other securities and from loans included under long-term investments	570	365
of which from affiliates: € 352 thousand (previous year: € 568 thousand)		
8. Other interest receivable and similar income	601	529
9. Interest payable and similar expenses	– 423	– 484
10. **Net income / loss (–) from ordinary activities**	**6,328**	**4,431**
11. Taxes from income and revenue	68	2
12. Other taxes	25	0
13. **Shortfall for the year (previous year: profit for the year)**	**6,421**	**4,433**

BALANCE SHEET AS OF DECEMBER 31, 2014

€ thousand	Dec 31, 2013	Dec 31, 2014
Assets		
A. Fixed assets		
I. Intangible assets		
Purchased industrial property rights and similar rights and values as well as licenses to such rights and values	2,037	1,684
II. Property, facilities and equipment		
1. Real properties, rights equivalent to real property and buildings	31	28
2. Other facilities and equipment, fixtures and fittings	371	400
	402	**428**
III. Financial investments		
1. Shares in affiliates	64,706	64,725
2. Loans to affiliates	7,977	3,959
3. Other loans	368	368
	73,051	**69,052**
	75,490	**71,164**
B. Current assets		
I. Receivables and other assets		
1. Receivables due from affiliates	10,262	12,538
2. Other assets	1,793	1,570
	12,055	**14,108**
II. Securities		
1. Other securities	19	0
III. Cash at banks	1,043	1,160
	13,117	**15,268**
C. Prepaid and deferred expenses	17	13
	88,624	**86,445**
Liabilities and Shareholders' Equity		
A. Holders' equity		
I. Subscribed capital		
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)	5,288	5,288
II. Capital reserves	51,395	51,395
III. Retained earnings		
Other retained earnings: € 22 thousand (previous year: € 22 thousand)	17,000	20,248
IV. Net profit for the year	6,421	4,433
	80,104	**81,364**
B. Special reserves for contributions to fixed assets	**205**	**186**
C. Provisions		
1. Provisions for pensions and similar obligations	379	381
2. Other provisions	1,915	1,794
	2,294	**2,175**
D. Liabilities		
1. Liabilities towards banks	4,541	1,350
2. Trade liabilities	184	201
3. Liabilities towards affiliates	1,242	1,130
4. Other liabilities	54	38
(of which for taxes: € 35 thousand; previous year: € 54 thousand)		
(of which for social security: € 0 thousand; previous year: € 0 thousand)		
	6,021	**2,719**
	88,624	**86,445**

Glossary

Afterloader for 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® and SagiNova® cancer radiation systems use 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

Neuroendocrine tumors (NET) Benign or malignant tumors that develop from hormone-producing (endocrine) cells

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 Relieves pain in patients who suffer from incurable diseases at an advanced stage

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

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)

Radio embolization Form of therapy for the treatment of inoperable liver cancer. Microspheres labeled with Yttrium-90 are injected into the patient

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

Radioisotope See Radionuclide

Radiolabeled peptides Peptides are small, protein-like structures. The peptides in radiolabeled peptides act as carriers for radioactive particles (e.g. yttrium-90)

Radionuclide See 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

Tumor irradiation device See Afterloader

Yttrium-90 radioactive isotope used with the internal radiotherapy among others for treating chronic-inflamed joint diseases (radiosynoviorthesis) or for cancer treatment. For the transport to the tumor the yttrium-90 is either coupled to active chemical ingredients or laden on little balls (see radio embolizers)

Financial Calendar

March 26, 2015	Annual Report 2014
May 5, 2015	Quarterly Report I/2015
May 6, 2015	DVFA Spring Conference in Frankfurt
June 3, 2015	Annual General Meeting in Berlin
August 4, 2015	Quarterly Report II/2015
November 5, 2015	Quarterly Report III/2015
November 2015	German Equity Forum in Frankfurt

Imprint

PUBLISHER
Eckert & Ziegler
Strahlen- und Medizintechnik AG

DESIGN
Ligaturas, Berlin

PHOTOS
Kopf & Kragen, Berlin
Nils Hendrik Müller, Brunswick
Eckert & Ziegler archive

PRINTED BY
Druckerei Arnold, Großbeeren

Contact

Eckert & Ziegler
Strahlen- und Medizintechnik AG

Robert-Rössle-Straße 10
13125 Berlin, Germany
www.ezag.com

Karolin Riehle
Investor Relations

Phone + 49 30 94 10 84 – 0
Fax + 49 30 94 10 84 – 112
info@ezag.de

ISIN DE0005659700
WKN 565970

buch berlin
dedicated to health

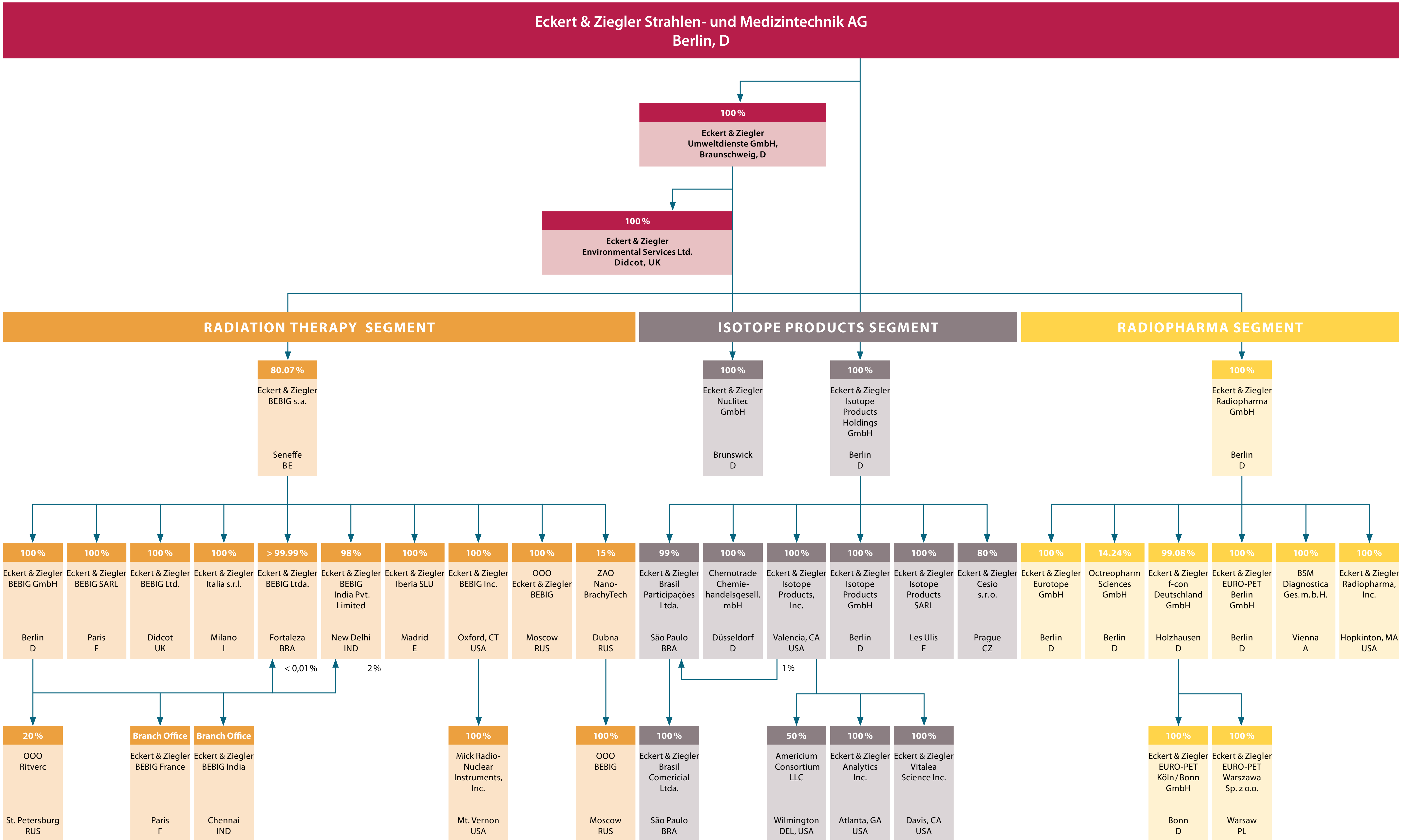
KEY DATA ECKERT & ZIEGLER

		Change	2011	2012	2013	2014
Sales and Earnings						
Sales	€ thousand	+ 9 %	116,197	119,997	117,138	127,256
EBITDA	€ thousand	– 6 %	30,412	27,475	21,332	20,099
Depreciations	€ thousand	– 22 %	7,511	7,747	9,187	7,143
EBIT	€ thousand	+ 7 %	22,901	19,728	12,145	12,956
EBIT margin	%	– 2 %	20 %	16 %	10 %	10 %
Tax rate	%	+ 202 %	44 %	33 %	15 %	45 %
Net profit for the year after taxes and minorities	€ thousand	– 25 %	10,418	10,293	9,035	6,775
Earnings per share w/o one-off effects	Euro	– 25 %	1.98	1.95	1.71	1.28
Cash Flow						
Cash flow from operating activities	€ thousand	– 27 %	20,159	16,574	14,675	10,653
Liquid assets as of 31 December	€ thousand	– 26 %	32,304	30,842	29,414	21,824
Balance						
Shareholders' equity	€ thousand	+ 5 %	80,896	86,970	90,265	94,490
Total assets	€ thousand	+ 5 %	154,353	164,444	178,407	187,329
Equity ratio	%	– 0 %	52 %	53 %	51 %	50 %
Net liquidity (liquidity minus debts)	€ thousand	– 54 %	14,315	15,396	6,787	3,119
Employees						
Average number of employees*	People	+ 10 %	538	573	613	674
Number of employees as of 31 December	People	+ 4 %	573	611	686	711
Key figures share						
Average number of shares in circulation	Item in thousand	–	5,274	5,288	5,288	5,288
Book value per share	Euro	+ 6 %	14.23	15.27	15.79	16.76
Dividend	Euro	–	0.60	0.60	0.60	0.60**

** without executive boards, general managers, freelancer*

*** Dividend to be proposed to the Annual General Meeting by the Group on June 3, 2015*

Corporate structure (December 31, 2014)



Eckert & Ziegler
Strahlen- und Medizintechnik AG
Robert-Rössle-Str. 10
13125 Berlin | Germany