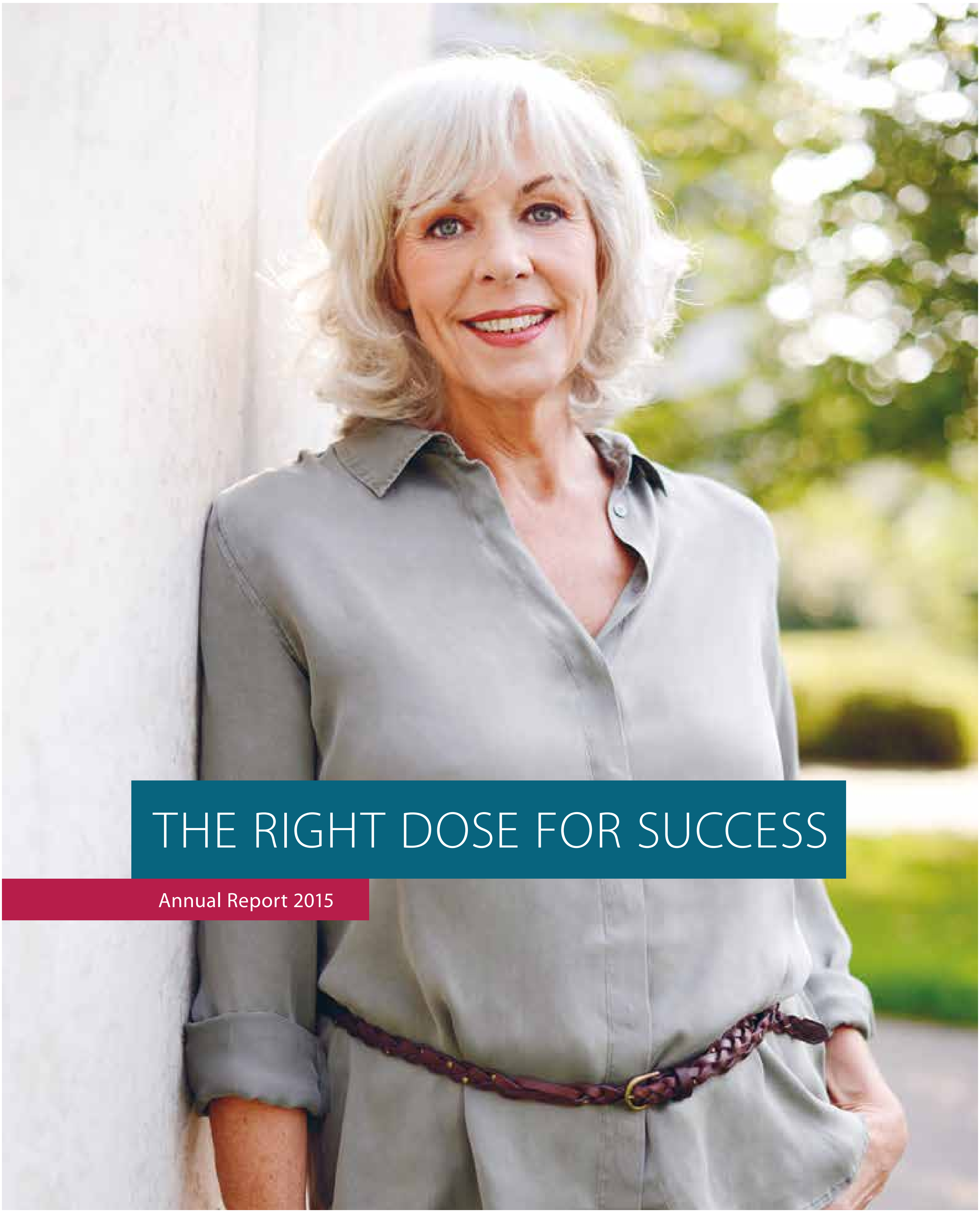


THE RIGHT DOSE FOR SUCCESS

Annual Report 2015

Eckert & Ziegler
Contributing to saving lives

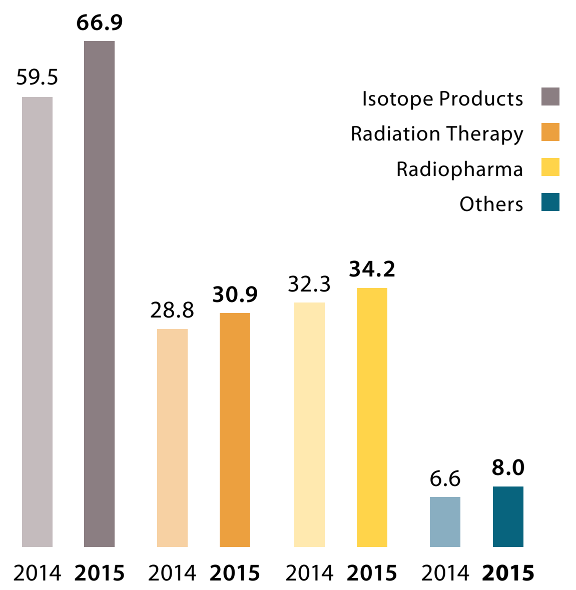
KEY DATA ECKERT & ZIEGLER

		Change	2014	2015
Sales and Earnings				
Sales	€ thousand	+ 10 %	127,256	140,046
EBITDA	€ thousand	+ 27 %	20,099	25,574
Depreciations	€ thousand	+ 23 %	7,143	8,764
EBIT	€ thousand	+ 30 %	12,956	16,810
EBIT margin	%	+ 18 %	10	12
Tax rate	%	− 26 %	45	33
Net profit for the year after taxes and minorities	€ thousand	+ 58 %	6,775	10,718
Earnings per share w/o one-off effects	€	+ 58 %	1.28	2.03
Cash Flow				
Cash flow from operating activities	€ thousand	+ 52 %	10,653	16,230
Liquid assets as of 31 December	€ thousand	+ 44 %	21,824	31,466
Balance				
Shareholders' equity	€ thousand	+ 11 %	94,490	104,668
Total assets	€ thousand	+ 5 %	187,329	196,676
Equity ratio	%	+ 6 %	50	53
Net liquidity (liquidity minus debts)	€ thousand	+ 411 %	3,119	15,938
Employees				
Average number of employees*	People	–	674	672
Number of employees as of 31 December	People	− 3 %	711	692
Key figures share				
Average number of shares in circulation	Item in thousand	–	5,288	5,288
Book value per share	€	+ 13 %	16.76	18.86
Dividend	€	–	0.60	0.60**

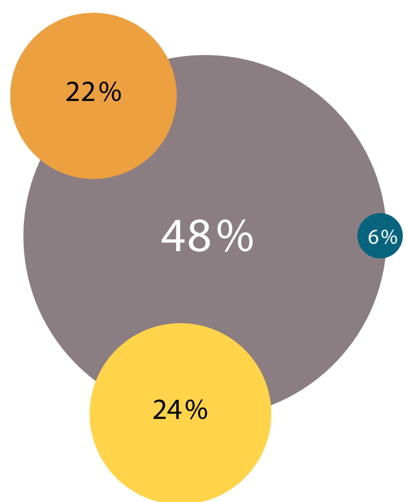
** without executive boards, general managers, freelancer*

*** Dividend to be proposed to the Annual General Meeting by the Group on June 8, 2016*

SALES TRENDS IN INDIVIDUAL SEGMENTS (IN € MILLION)



SALES BY SEGMENTS 2015 (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.

NORTH-/SOUTH-AMERICA

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

EUROPE

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

ASIA AND REST OF WORLD

21 New Delhi, India
22 Moscow, Russia

production site
distribution site

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.

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

LETTER TO THE SHAREHOLDERS

Dear Shareholder,

Fiscal year 2015 was once again characterized by substantial contrasts – a phenomenon that can often be seen in broadly diversified business models, and may even be intended. Rarely does everything work out all at once. But, on the other hand, rarely does everything go wrong all at once, either. There is little separating the positive from the negative, often within the same person's sphere of influence.

All told, 2015 was **first and foremost a record year**. Following the slump in 2014 – when we were only able to present a net result of just under € 7 million, or € 1.28 per share, in the end – the net profit for 2015 increased, as forecast, to over € 2 per share for the first time. It reached almost € 11 million, or € 2.03 per share, the highest value in the company's history, both in absolute terms and in relation to the individual share. In equal measure, there were also records in terms of sales. Despite not rising as steeply as profit, it still gained 10 %, coming in at over € 140 million.

In the key **Isotope Products** segment, the development of results was slightly negative compared to the prior year, but remained at a high level and was therefore undramatic for the most part. Radiocarbon dating services and the newly acquired business in Brazil suffered from the loss of a key customer and difficult market conditions, yet the core business with radiation sources, raw materials trading, and quality assurance products was solid as a rock and once again generated, in terms of sales, an EBIT margin of almost 20 %. Although the low oil price led, as feared, to a slump in demand for industrial components over the course of the year, double-digit growth in scientific and medical products, as well as the appreciation of the US dollar, made up for many losses. In the end, we generated a net result of € 8.6 million – some € 1.1 million less than in 2015. This came in connection with a 12 % increase in segment sales to almost € 70 million, due mainly to exchange rate effects.

Major battles had to be fought in the **Radiation Therapy segment** in 2015. The shock of a loss of € 2.4 million in the prior year put a strict efficiency program on the agenda, the implementation of which shaped up to be challenging, since the general conditions remained difficult. Many of the core markets for tumor irradiation equipment, in which the segment's hopes for growth were resting, continued to stagnate. While the need for efficient cancer treatment options is intact everywhere, money is tight. In the former Soviet Union, the drop in oil prices has led to a massive decline in government revenues, indirectly impacting health care budgets. Our exports to this region hit rock bottom in 2015. Only € 2 million were billed in this once dominant region – just one-quarter of what it was four years ago.

The situation in many countries in Asia and Latin America remained similarly challenging. They are also dependent on commodity exports to finance their health care systems and continue to suffer from unfavorable terms of trade. Although the Eckert & Ziegler Group's tumor irradiation equipment is tailored to the needs in these regions and have proven their competitiveness in tender processes time and time again, the situation was difficult. Nevertheless, irradiation equipment succeeded in reversing the trend in sales back to well over € 10 million in 2015, returning to the levels seen in earlier years. In spite of adverse general conditions, South America stood out in particular. Devices worth over € 3 million were exported to this region – nearly double the figure seen in the prior year. Systems were

„All told, 2015 was first and foremost a record year. The net profit reached almost € 11 million, or € 2.03 per share, the highest value in the company's history.

sold to the US for the first time ever in 2015. The new generation of devices, SagiNova®, is proving to be a breakthrough that will hopefully find many customers going forward in this very demanding, very unique market. Another ray of light came from the Arab world in 2015. In Vienna, the Nuclear Deal Framework was signed with Iran in fall, and the sanctions were lifted at the start of 2016. The country has returned to the global market with a tremendous need for medical technology. Management succeeded in engineering negotiations in 2015 that should lead to several installations in 2016.

Sales of implants, traditionally the segment's main source of income, remained slightly above the level seen in the prior year. However, the market continues to be dominated by cutthroat competition, and prices are falling. In a five-year comparison, the lead company, Eckert & Ziegler BEBIG S. A., managed to keep its sales volume stable at well over € 10 million. However, it did so at the expense of margins. Since the acquisitions over the past few years were mainly made outside of European core markets, the potential for synergy was partially depleted in recent times, and cost pressure was so high that isolated regional losses occurred. Relief did not arrive until the end of the year. Two business ventures that negatively impacted profit from operations (EBIT) in 2015 by around € 2.7 million were closed or sold: the business with therapeutic accessories in Paris and the implant division in Oxford, Connecticut, which was acquired two years ago.

The decision to part company with both businesses was not an easy one. A great deal of time and energy had been invested in the loss-making ventures, plus they were responsible for sales of € 4.3 million, more than 10 % of total volume. They will be missed when it comes to capacity utilization in 2016. As a result, overhead capacities were also reduced. By the end of the year, the Therapy segment was already significantly leaner in terms of its cost base. Head count fell from 194 to 145 at the start of the year – a reduction of 25 % within 12 months. The decline is less pronounced in the annual financial statements, which are based on the average number of employees over the course of the year, but the rise in sales productivity is evident. This figure grew by 20 % to € 180,000 per employee, once again on par with the year before last, but below the minimum target of € 200,000.

In terms of sales, the expected trend reversal was also evident in the Therapy segment in 2015. Sales rose by 7 % to just under € 31 million – including, however, the operations discontinued at the end of the year. In the year ahead, the key to achieving the long-overdue turnaround in results will be the ability to fill the sales gap with growth in tumor irradiation equipment volume. In fiscal year 2015, segment profit once again fell by 32 %, or € 0.8 million, to a loss of € 3.2 million. Unfortunately, this total does not contain any non-recurring expenses.

In the **Radiopharma segment**, we have been observing keener interest in the options offered by radiopharmaceuticals around the world for several years. Start-ups and financing offers in the field of nuclear medicine have noticeably gained momentum since BAYER paid billions to take over the Norwegian drug development company ALGETA in 2014 and started actively marketing the alpha emitter XOFIGO on a global scale. The impressive success in fall 2015 of the long-anticipated NASDAQ IPO by France's ADVANCED ACCELERATOR APPLICATIONS on the basis of convincing clinical data with a radioactive tumor drug strengthened this trend.

In terms of sales, the expected trend reversal was also evident in the Therapy segment in 2015.”

Dr. Andreas Eckert (Chairman of the Executive Board)

The new interest in the field has resulted in momentum for Eckert & Ziegler’s Radiopharma segment. Its synthesis modules, generators, pharmaceutical radioisotopes, and services appeal mainly to scientists who develop new drugs. The segment supports entrepreneurs in founding new radiopharmaceutical companies through start-up financing, as well as access to laboratories, radiochemists, and experts in regulatory affairs and other fields. At the end of the year, the segment signed an extensive cooperation agreement with the Danish drug development company CURASIGHT.

A similar partnership resulted in a major coup for the segment in 2015: the sale of shares in the drug development company OCTREOPHARM SCIENCES, which was founded just a few years ago, to France’s IPSEN. The lucrative transaction has had a significant impact on the overall Group’s annual financial statements, since it more than compensated for the losses that resulted in the Therapy segment in 2015. However, the remaining part of the Radiopharma segment, the cyclotrons, was unable to match the outstanding performance. A loss of market share in Germany and a drop in prices in Poland sullied management’s joy over the segment. Nevertheless, the Radiopharma segment still managed to set a record with income after tax of € 1.18, up significantly on the prior year’s income after tax of € 0.11 per share. With respect to its return on sales, the segment catapulted itself to the top of the Group for the first time ever.

All in all, 2015 was a strong year for Eckert & Ziegler AG. Because the record result of almost € 11 million was associated with a significant rise in net liquidity, the Executive Board has had the time and the opportunity to tackle a number of efficiency and streamlining measures beyond the figures and day-to-day business operations, such as changes in management, the elimination of redundant structures, and an increase in provisions for balance sheet and latency risks. As a result, the Group is stronger, leaner, and more optimistic on the whole as it heads into the new fiscal year.

We would be pleased if you would continue to accompany us on this journey.

Best regards from Berlin.
Sincerely,

Andreas Eckert

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


1 |


2 |


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GROUP EXECUTIVE COMMITTEE

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

1 | Dr. Andreas Eckert

Chairman of the Executive Board

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

2 | Dr. Edgar Löffler

Member of the Executive Board | Radiation Therapy Segment

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

3 | Dr. André Heß

Member of the Executive Board | Radiopharma Segment

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

4 | Dr. Gunnar Mann

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

Dear shareholders,

In fiscal year 2015, 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 six 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 were 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, and another member who was absent from one meeting, all members of the Supervisory Board took part in all of the meetings. On average, all members of the Supervisory Board attended 86 % of the meetings.

Key topics addressed by the Supervisory Board

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

At the meeting on January 21, 2015, the Executive Board mainly informed the Supervisory Board about the preliminary key figures for fiscal year 2014 as well as the economic state of the Radiation Therapy segment and a potential sale of OctreoPharm Sciences. 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 17, 2015. The company's risk report, which describes the key risk positions and the Group's risk management, was also presented and discussed within the scope of this meeting. The findings from the Supervisory Board's efficiency audit were addressed as well. At the meeting on June 3, 2015, the main focus was the business figures for the first quarter of 2015 and preparations for the Annual General Meeting. In addition, within the scope of Germany's Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors Act (Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst, GgT), the Supervisory Board unanimously decided that the minimum target for the number of women on the Supervisory Board should amount to one-sixth of the Board's members and that this should be achieved by June 30, 2017 at the latest. For the time being, no quota has been set for the Executive Board. At its meeting on August 3, 2015, the Supervisory Board discussed the business figures for the second quarter of 2015 in particular.

The focus of the meeting on October 9, 2015 was the presentation and approval of the budget for fiscal year 2016 as well as the presentation of the business figures for the third quarter of 2015. The restructuring measures in the Radiation Therapy segment were another topic discussed at the meeting.

At its meeting on November 30, 2015, the Supervisory Board discussed the strategic positioning of the Radiation Therapy segment and decided on the sale of the implants and needle business in North America to Theragenics.

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 May 5, 2015. On December 3, 2015, 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 the 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 statements for 2015

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 2015, 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 transactions listed in the report were not inappropriately high.

The annual financial statements, including the affiliated company report and the auditor's audit report, were submitted to the Supervisory Board. A representative of the auditor took part in the Supervisory Board's balance-sheet meeting on March 21, 2016 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 presented to it. 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.

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 2015.

Berlin, March 2016
For the Supervisory Board

PROF. DR. WOLFGANG MAENNIG
Chairman of the Supervisory Board

THE SUPERVISORY BOARD

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

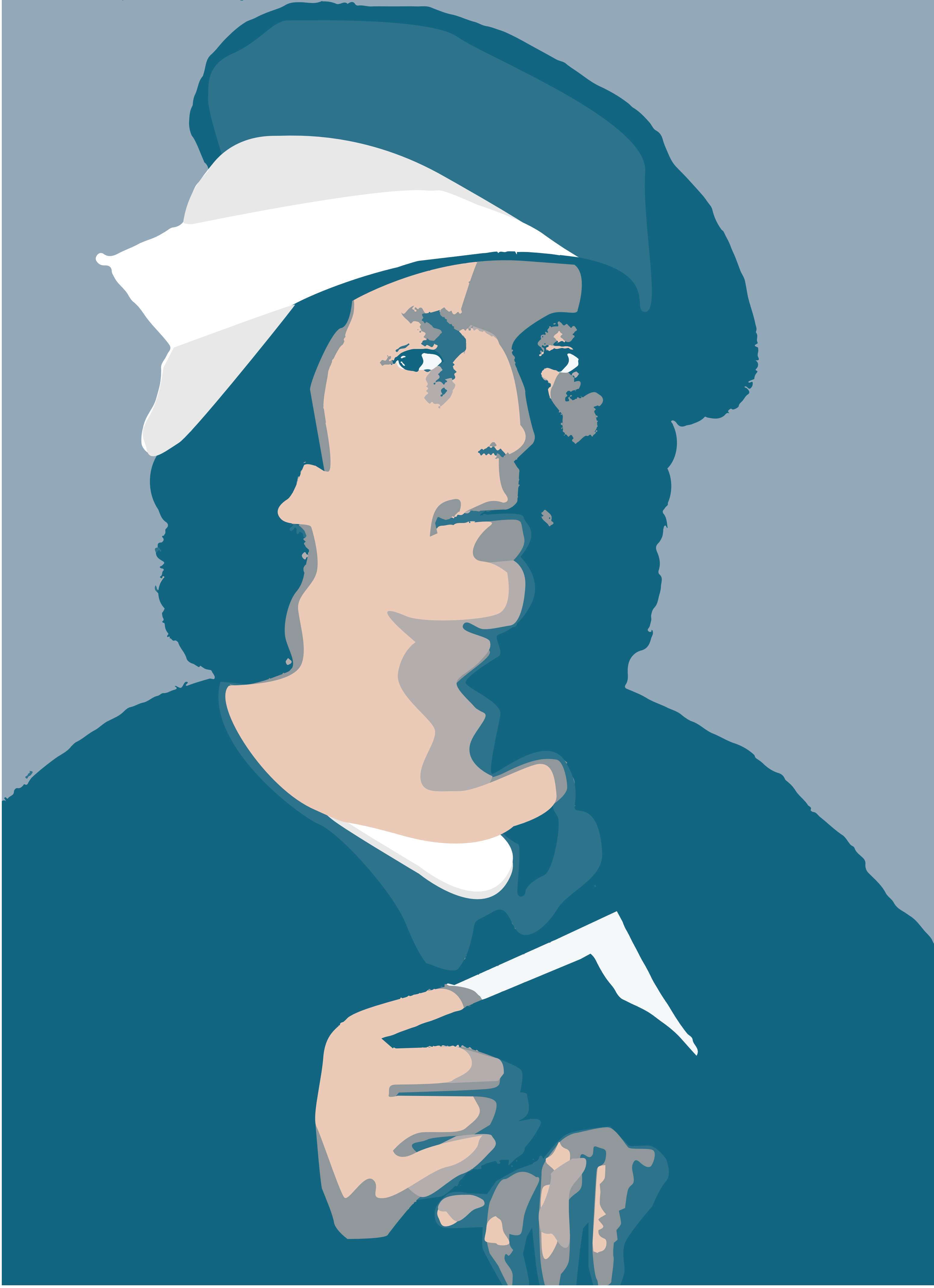
Prof. Dr. Nikolaus Fuchs
Deputy Chairman of the Supervisory Board
Berlin

Dr. Gudrun Erzgräber
Birkenwerder

Prof. Dr. Detlev Ganten
Berlin

Prof. Dr. Helmut Grothe
Wandlitz

Hans-Jörg Hinke
Berlin



// Dosis sola facit venenum

THE RIGHT DOSE FOR SUCCESS

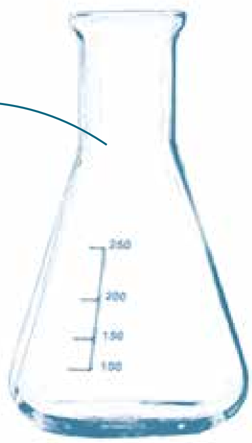
Can nature be good or bad? Are medicinal herbs from mountain pastures universal remedies, and is nuclear medicine the work of the devil? From a philosophical perspective, it is all a question of the right dosage. "Poison is in everything, and no thing is without poison. The dosage makes it either a poison or a remedy." – Philippus Theophrastus Aureolus Bombastus von Hohenheim, aka Paracelsus, already knew this almost 500 years ago.

The man with the bombastic name was many things: physician, astrologer, pharmacist, theologian and alchemist. At a time when medicine was still rooted in the tradition of the Greek physician Galen – who assumed that illnesses were a result of an imbalance of bodily humors – Paracelsus questioned the underlying medical beliefs. He assumed instead that foreign substances triggered diseases which could be treated with the right medicine. On the basis of this knowledge, he developed remedies by separating beneficial from non-beneficial substances. With a large degree of success!

His colleagues accused him of poisoning his patients. He criticized medical dogma as harshly as he fought off his critics whom he called "dog butchers, liars, nincompoops, cheats and murderers." He rebuked them: "Poison is in everything, and no thing is without poison. The dosage makes it either a poison or a remedy."

What Paracelsus said as the pioneer of pharmaceutical chemistry is still valid in today's medical science and is known as the hormetic effect: low dosages of harmful substances or environmental factors – such as isotope irradiation – can have a positive effect. Small dosages of natural radioactive radiation can stimulate the immune system[1] and are a basic component of evolution[2]. The misconception that ionizing irradiation is harmful, irrespective of the dosage, does not do the complex interaction between biological systems and radiation justice. It is only the dosage which makes it poisonous. When administered in controlled amounts, isotope irradiation has a healing effect. This forms the basis of cancer treatments by Eckert & Ziegler – in the true tradition of Paracelsus.

What Paracelsus said as the pioneer of pharmaceutical chemistry is still valid in today's medical science and is known as the hormetic effect: low dosages of harmful substances or environmental factors – such as isotope irradiation – can have a positive effect.



[1] Rudy **Boonstra** et al.; Hormetic effects of gamma radiation on the stress axis of natural populations of meadow voles (Microtus pennsylvanicus); Environmental Toxicology and Chemistry. 03/2005; 24(2):334-43

[2] Jerry M. **Cuttler**; Commentary on Fukushima and Beneficial Effects of Low Radiation; Canadian Nuclear Society Bulletin 34(1):27-32 (2013)

// Radiopharma

NEW TREATMENT OPTION FOR PANCREATIC CANCER

YTTRIUM-90

radiopharmaceutical

YTTRIGA is produced in pharmaceutical-grade quality in the clean rooms at the plant in Braunschweig.

The vials contain yttrium-90 (YTTRIGA). This substance is combined with biomolecules and injected into the patient.

YTTRIGA is used as an active component in a large number of radiotherapy products for treating liver cancer, colorectal cancer and leukemia as well as neuroendocrine tumors. YTTRIGA is coupled with a tumor-specific peptide or antibody that recognizes cancer cells and binds to them, delivering the ionizing radiation directly to the tumor and sparing healthy tissue.

Pancreatic cancer is often called a silent killer. In most cases, symptoms first appear at such a late stage that metastases have already formed and the possibility of curing the patient is virtually ruled out. A new method of treatment currently in the clinical phase now aims to extend the average survival time of many patients and improve their quality of life: radioimmunotherapy (RIT). The advantage it has over traditional types of treatment, such as chemotherapy or conventional radiation therapy, is found in the highly selective nature of the procedure. In RIT, an antibody binds to a specific antigen, which is pinpointed as selectively as possible on tumor cells. The antibody is combined with a radioactive substance that delivers radiation in a targeted manner to the unhealthy cells. Since the radioisotopes accumulate directly on the tumor cells and the distance to the source of radiation is therefore minimal, the procedure requires only relatively low radiation intensity on the whole. Eckert & Ziegler manufactures yttrium-90 for this treatment method at its plant in Braunschweig and sends it to hospitals worldwide, where it is coupled with the active biological agent and injected into patients.

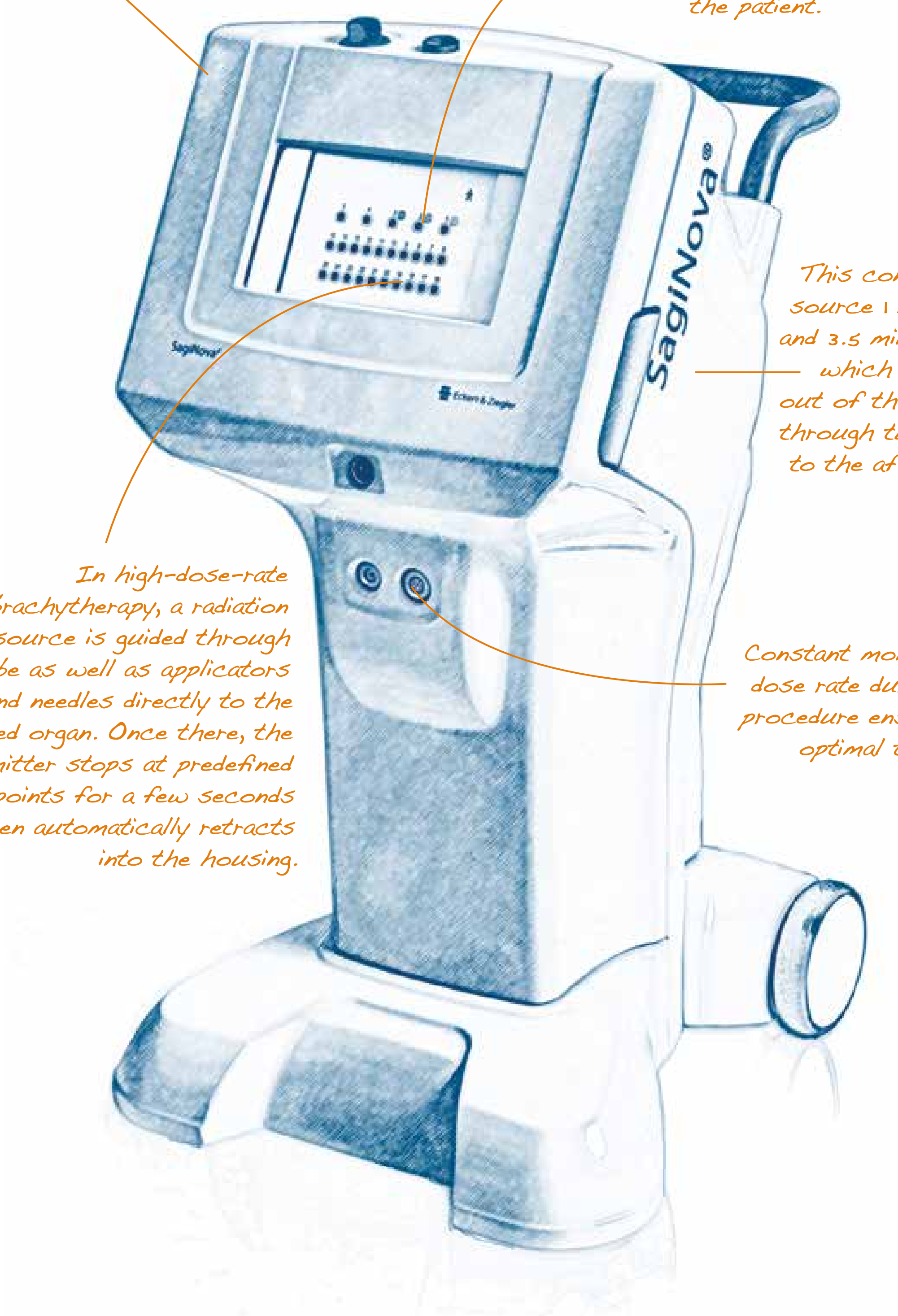
// Radiation Therapy

FIGHTING CANCER WITH BRACHYTHERAPY

Being diagnosed with cancer is a shock for many patients. But there are a wide range of options for fighting it, such as with temporary high-dose-rate brachytherapy (HDR). This type of treatment uses a tumor irradiation device (afterloader) that contains a radiation source. This radiation source is directed out of the irradiation device through tubes and then placed directly onto or inside the tumor with applicators or needles that have been connected. The radiation source stops at predefined positions for a certain period of time and is retracted into the tumor irradiation device afterwards. Temporary brachytherapy can be used to treat many different kinds of cancer, such as prostate, breast, lung, colorectal, esophageal and skin cancer. Eckert & Ziegler draws on its vast experience with cobalt technology for its new SagiNova® tumor irradiation device. The cobalt-60 radiation 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.

SagiNova®

tumor irradiation device



// Isotope Products

RELIABLE DIAGNOSIS AS THE BASIS FOR OPTIMUM TREATMENT

PET-PHANTOM AND LINE SOURCES

calibration sources

This is what is known as a phantom for quality assurance of PET cameras in nuclear medicine.

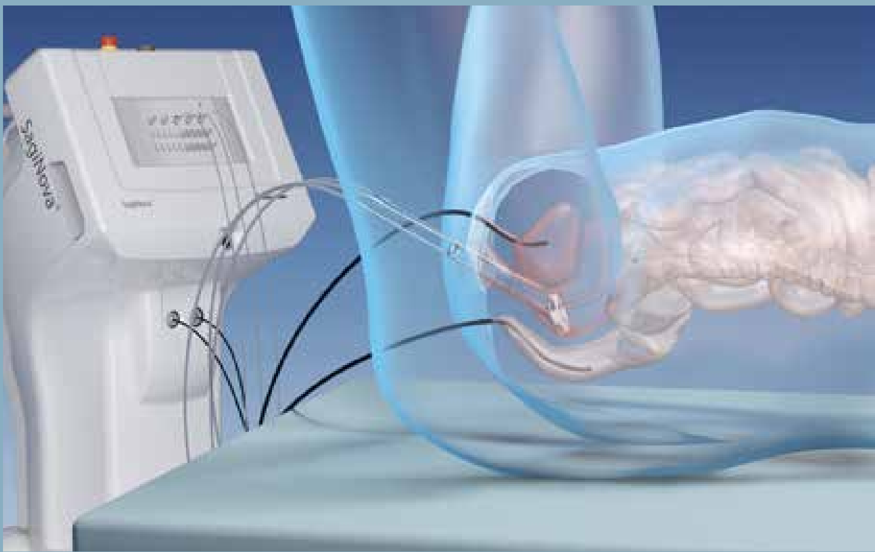
Positron emission tomography (PET) makes it possible to see tumors or metastases in the body. To ensure that the PET images supply conclusive results, it is necessary to regularly perform various quality checks of the device. Eckert & Ziegler offers a uniquely wide range of radiation sources for this purpose with which users can calibrate all camera types on the market.

Line sources also serve the purpose of quality assurance of PET cameras in the field of nuclear medicine.

If physicians suspect that a patient has a tumor, a great deal depends on a precise diagnosis. State-of-the-art medical technology is available to the patient for detecting unhealthy tissue. Such technology includes positron emission tomography (PET), an imaging technique used in medical screening that can be used to observe metabolic processes in the body. To achieve this, PET uses radiolabeled glucose or other substances known as 'tracers'. The tracers are injected into the patients' bloodstream. A measuring unit and a computer connected to it create images from the radiation emitted by the body in the individual regions. Depending on metabolic activity, the substances will concentrate to varying degrees in the different regions of the body. Tumors and metastases often have a different energy metabolism than healthy tissue. The differences therefore become visible in the PET images. This enables the physician to identify the spread of a tumor within the body, find metastases and assess a patient's response to a particular treatment.

To ensure that the PET camera supplies images with the utmost precision, it is necessary to regularly perform various quality checks of the device. Eckert & Ziegler offers a uniquely wide range of radiation sources for this purpose with which users can calibrate all camera types on the market.

THE YEAR 2015 IN REVIEW



Sale of US seed business

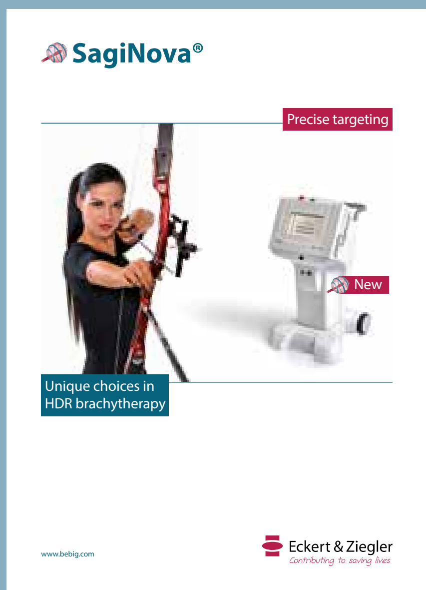
The US seed business is sold to the US-based Theragenics Corporation. The Radiation Therapy Segment will now focus to higher-margin areas.

FDA market clearance

The tumor irradiation equipment SagiNova® receives market clearance from the U S Food and Drug Administration (FDA). North America is the largest homogeneous market for brachytherapy.

New: SagiNova®

On the annual meeting of the European Society for Radiotherapy & Oncology (ESTRO) the new afterloader SagiNova® has been unveiled to the public.



Dividende

A dividend in the amount of € 0.60 is decided at the Annual General Meeting on 3 June 2015.

New managing director in Radiation Therapy Segment

Dr. Harald Hasselmann (48) has been appointed as the new commercial managing director for sales and finances of Eckert & Ziegler BEBIG. With effect from October 1, 2015 he will be a member of the management team and head the company together with Dr. Edgar Löffler, a medical physicist, who is responsible for the irradiation equipment manufacturer's technical operations.

Awards for young scientists

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

OctreoPharm Sciences

The French pharmaceutical company IPSEN acquires all shares in OctreoPharm Sciences. As a result, the Executive Board of Eckert & Ziegler AG has raised its profit forecast for 2015 to at least € 2.00 per share, or just over € 10 million.

Modular-Lab eazy in Cuba

For the first time, a Modular-Lab eazy system is being used in nuclear medicine in Cuba. The synthesis device, which makes it possible to quickly and inexpensively produce diagnostic and therapeutic radiopharmaceuticals, has been installed at the National Institute of Oncology and Radiobiology in Havana.

Certificate of recognition for „good corporate citizen“

The American subsidiary Eckert & Ziegler Isotope Products Inc. receives a certificate of recognition as "good corporate citizen" for the year 20014 from the Sanitation Districts of Los Angeles County for complying consistently with all their industrial wastewater discharge requirements.

A visit from Berlin's Senator of Finance

Berlin's Senator of Finance, Dr. Matthias Kollatz-Ahnen, has visited Eckert & Ziegler at its site in Buch to get an impression of a medium-sized medical technology company.

FDA audit

The U.S. Food and Drug Administration (FDA) has audited Eckert & Ziegler Radiopharma GmbH. In doing so, the agency has also audited a ^{68}Ge/^{68}Ga generator for the first time ever. Thanks to the FDA's positive audit, the GalliaPharm generator is now recommended as an important component for the radiolabeling of biomolecules for the U.S. market.

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 (Deutsche Börse)
EUZ (Bloomberg)
EUZG (Reuters)

Free float
65.2 %

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

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KEY DATA

		Dec 31, 2014	Dec 31, 2015	in %
Closing price for the financial year *	€	18.98	19.37	2
Highest price for the financial year*	€	30.50	24.29	– 20
Lowest price for the financial year *	€	18.75	16.88	– 10
Price-Earnings Ratio (PER)		15	10	– 33
Earnings per share (EPS)	€	1.28	2.03	59
Cashflow per share	€	2.01	3.07	52
Book value per share	€	16.76	18.86	13
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	100	102	2
Average trading volume per day	shares	5,902	8,556	45

** Xetra*

Development of the share

Global stock markets were dominated in 2015 by the expansive fiscal policies pursued by central banks and geopolitical events in Ukraine and Syria, as well as the IS terror attacks in France and the resulting state of emergency. The stock market crash in China fueled widespread uncertainty over the state of the global economy in the summer. In addition, the debt crisis was exacerbated, particularly in some emerging economies, due to the strong US dollar and sharp declines in commodity prices, which saw currencies tumble in certain emerging markets, such as Brazil, Russia, South Africa and Turkey.

The Eckert & Ziegler share bottomed out at € 16.88 in early January after the profit guidance was lowered on account of disappointing business in the Radiation Therapy segment in Eastern Europe. The share rallied up to the halfway point of the year following the publication of the dividend proposal, reaching its highest value for the year at € 24.29 on June 2, 2015. Following a short price decline, the share rose to an interim high on June 30, 2015 in the wake of the increase in profits, before losing ground and treading water for the rest of the year. The share closed the fiscal year at € 19.37, which equates to a slight increase in value of 2 %. Trading volume at the end of the past fiscal year amounted to a daily average of 8,556 shares (prior year: 5,902 shares).

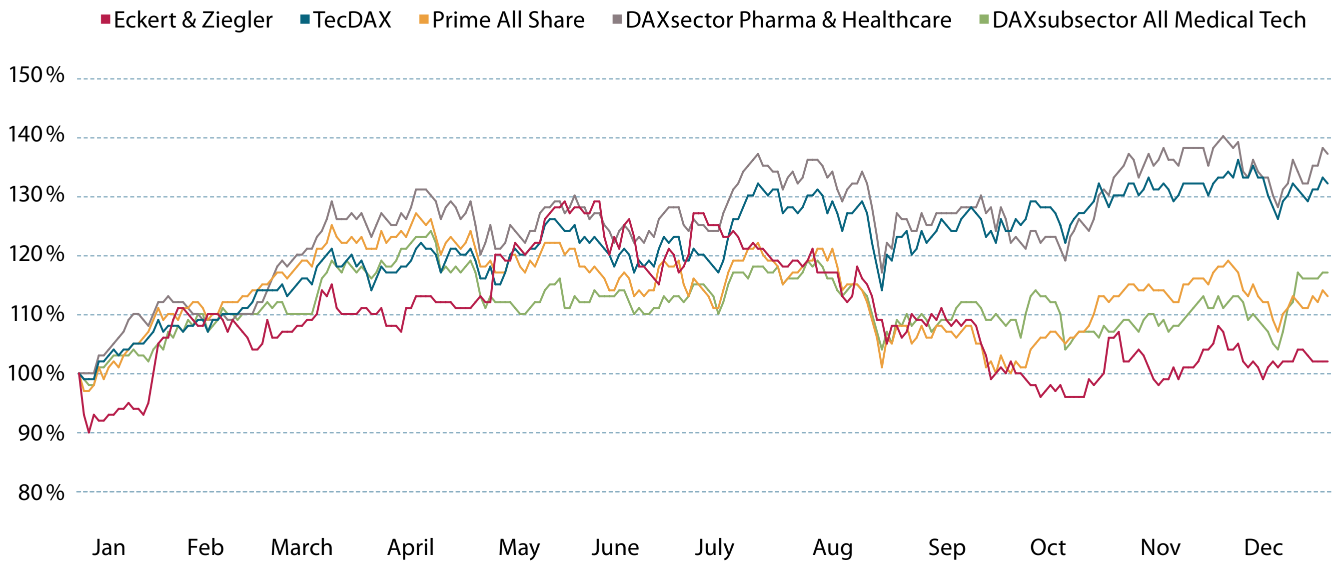
Earnings per share of € 2.03

In the period under review, the Eckert & Ziegler Group generated consolidated earnings per share of € 2.03. 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 8, 2016 a dividend of € 0.60 per share for fiscal year 2014. Based on the annual closing price of € 19.37, this works out at a dividend yield of 3.1 %. In compari-

DYNAMIC PERFORMANCE OF THE ECKERT & ZIEGLER SHARE IN 2015 (INDEXED AT 100)



son, the average dividend yield of the seven TecDAX stocks that cover the health care sector stands at just 1.4 %.

Analyst recommendations

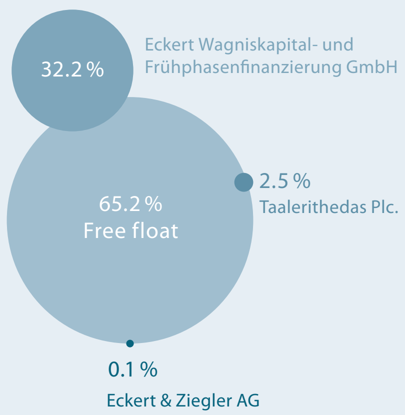
Hauck & Aufhäuser, DZ Bank and WGZ Bank regularly report on Eckert & Ziegler. In the period under review, these institutions published a total of 21 studies and brief analyses on Eckert & Ziegler.

Investor Relations

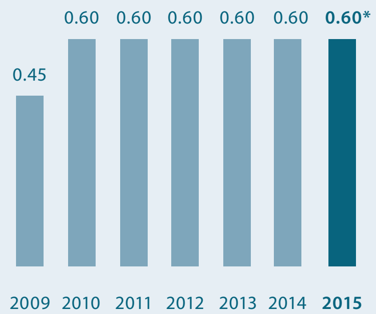
The objective of our investor relations activities is to provide private shareholders, institutional investors, financial analysts, and the press with open and timely information about the company. Essential components of this communication with the capital market comprise stock exchange and press releases, quarterly reports, interviews, and conference calls. At the analyst conference held in March, the DVFA spring conference in May, the Annual General Meeting in June, the Equity Forum in November, and several investor rounds in Frankfurt, 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, 2015



DIVIDENDS PAID BY ECKERT & ZIEGLER AG in Euro



** Proposal to the Annual General Meeting on June 8, 2016*

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 4 per 1,000 full-time employees (prior year: 7) – was significantly below comparable values for 2014 of approximately 18 workrelated accidents per 1,000 fulltime employees in Germany, according to the 2014 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 2014 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 thework processes in question.

WORK-RELATED ACCIDENTS AND RADIOLOGICAL INCIDENTS

	2009	2010	2011	2012	2013	2014	2015
Work-related accidents (in absolute values)							
Reported work-related accidents	3	3	5	4	3	**5**	**3**
Reported accidents en route to work	5	1	6	5	4	**2**	**4**
Reportable work-related accidents (per 1,000 employees)							
Reported work-related accidents	5.9	5.9	9.1	6.7	5.2	**7.0**	**4.3**
Reported accidents en route to work	9.8	1.9	10.9	8.4	6.9	**2.8**	**5.8**
Radiation protection							
Radiological incidents *	2	0	3	2	0	**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; GMP; 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-Protecting our employees from work-related dangers has top priority at Eckert & Ziegler. power system; and a double-flow ventilation system. Thanks to these measures, the building's calculated specific primary energy consumption of 154 kWh/m^2a is 25 % lower than required by the strict conditions set forth in the Energy Conservation Regulation (Energieeinsparungsverordnung – EnEV).

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

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 in the Berlin region, has been extremely positive. More than 20,000 children took part in the initiative in 2015. 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 rose by nearly 30 % in 2015. Almost 1,500 young people benefited from this educational program in 2015.

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 under-take 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 Germany, The Netherlands, United Kingdom and USA at the EAMN's Annual Congress in Hamburg in October 2015. The winners were chosen from more than 600 entries by a jury of the European Association of Nuclear Medicine (EANM). The most outstanding research work was made in the fields of oncology and neurological diagnostics.

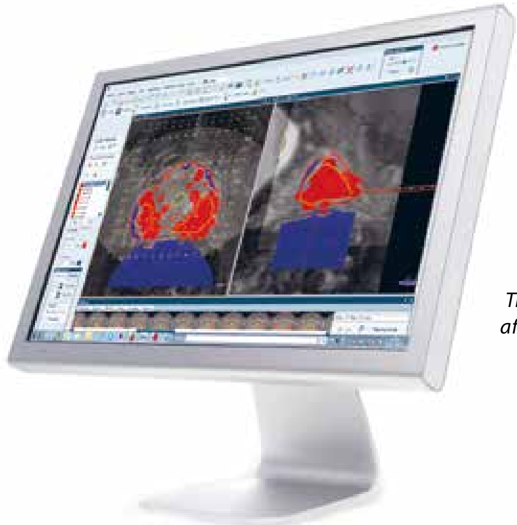
Our foreign subsidiaries are also involved in social projects. Eckert & Ziegler sponsors and donates to a team of American employees who raised more than USD 41.000 in donations by taking part in the National Multiple Sclerosis Society's annual "Walk MS" against multiple sclerosis. The donations will 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

OUR PRODUCTS

01 | TUMOR IRRADIATION DEVICE

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.



02 | SOFTWARE

Treatment planning software for afterloading therapy

03 | APPLICATOR

Applicator for treating gynecological tumors

04 | APPLICATOR

Applicator for treating gynecological tumors

05 | OPHTHALMIC APPLICATORS

Ruthenium applicators for treating eye cancer

06 | SEEDS

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

01 – 06 *Radiation Therapy Segment*

07 | RADIOSYNTHESIS SYSTEM

Modular-Lab eazy – the smallest radiosynthesis system on the market

09 | RADIOPHARMACEUTICALS

[^{18}F]FDG is a diagnostic for positron emission tomography (PET) for detecting oncological, cardiological and neurological diseases

08 | RADIOPHARMACEUTICAL

GalliaPharm® is the only approved (^{68}Ge / ^{68}Ga) radionuclide generator for in vitro radioactive labelling of carrier molecules

10 | RADIOSYNTHESIS SYSTEM

Modular-Lab PharmTracer for fully automated routine production of radiopharmaceuticals

11 | FLOOD SOURCE

Perflexion™: a unique flexible radiation source used in the calibration of nuclear medicine imaging equipment

13 | CALIBRATION SOURCE

Calibration source used to ensure accurate results in positron emission tomography (PET) scans

12 | INDUSTRIAL SOURCES

Radiation sources used for radiometric measurement of the density, thickness and level of materials in industrial processes

07 – 10 *Radiopharma Segment* | **11 – 13** *Isotope Products Segment*


SMART
MINDS CREATE
INNOVATIVE
PRODUCTS
Eckert & Ziegler
Wir helfen zu heilen.
OPEN-
MINDEDNESS


GLOBAL TEAMS
TEAM SPIRIT
SPORTING COMPETITION

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 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 Braunschweig, 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, 2015), Eckert & Ziegler Strahlen- und Medizintechnik AG 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, Braunschweig, 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 radioactive embolic agents 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 Targets and strategies

Sustainable and profitable growth is the goal of corporate development in the mid-term. This should be achieved on 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 long-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, rose from € 3.6 million to € 3.8 million in 2015. Development costs remained stable in the Radiation Therapy (€ 1.4 million) and Isotope Products (€ 0.3 million) segments, whereas expenditure in the Radiopharma segment rose marginally to € 2.1 million.

The innovation ratio, in other words the percentage of sales generated with products that were only incorporated into the Group's portfolio in the last two years, rose from 16 % to 17 %. In 2015, sales were generated with the new SagiNova® tumor irradiation equipment for the first time. In addition, there was also a disproportionately high increase in sales with newly added products.

Specific details on the activities:

The equipment division in the Radiopharma segment made an important step towards becoming a full-line supplier for synthesis production systems with integrated quality control in 2015. New radiochemical tracers were developed for established synthesis equipment, which can be used to reveal diseased organs in the body. In addition, synthesis equipment was also qualified for further areas of application. New equipment was developed and system integration was advanced in the area of analytics, in other words measurement equipment designed to determine radiochemical purity following successful synthesis.

The Radiation Therapy segment concentrated on the SagiNova® tumor irradiation equipment in the reporting year. Following the successful conclusion of the "pre-market evaluation phase" and the receipt of FDA market clearance (510k), the SagiNova® range, which consists of equipment, radiation source, software and applicators, was also approved for sale in key geographic regions including Europe and the US. In terms of seed implants to treat prostate cancer, the new "S17plus" seed design received CE market clearance.

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.

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 € 140.0 million in fiscal year 2015. This equates to an increase of € 12.8 million, or 10 %, on the prior year. This growth was mainly due to the translation of sales in USD at a more favorable exchange rate, which was USD 1.11/€ in mid-2015. Compared to the prior year, sales in USD were therefore up 16 % in value. The acquisition of the Isotope Products segment in Brazil resulted in a base effect of € 2.5 million. Organic sales declined by € 0.6 million without these effects; this drop was due to losses generated by the Isotope Products segment in the energy sector and in radiocarbon dating.

The Group clearly surpassed its expected sales mark of at least € 133.0 million communicated in the 2015 outlook due to the more favorable exchange rate. However, adjusted for currency conversion, higher sales had been expected in the Radiation Therapy and Isotope Products segments.

Sales trends in individual segments

The largest segment, Isotope Products, reported the highest growth in sales with an increase of € 7.4 million to € 66.9 million. As described above, this development was due to the more favorable USD/€ exchange rate. Sales in the energy sector (sources in oil exploration) were below expectations due to low oil prices. Service sales for the pharmaceutical industry (radiocarbon dating) also declined significantly following the withdrawal of a key customer. To date, the new acquisition in Brazil has not generated the desired sales.

Following a weak 2014, the Radiation Therapy segment, which also benefited from the improvement in the USD exchange rate, significantly boosted sales to € 30.9 million. Tumor irradiation equipment deliveries also increased again due to the completion of delayed projects from the prior year, with the launch of SagiNova® providing an additional boost.

Sales in the Radiopharma segment increased from € 32.3 million to € 34.2 million, although developments varied within the segment. The equipment division saw an excellent performance. Sales in Modular-Lab systems picked up again, thereby increasing the number of installed devices, which in turn triggered an increase in demand for consumables. Approved pharmaceutical gallium generators also registered an improvement in sales. The cyclotron division benefited from newly acquired products for diagnosing Alzheimer's. However, these positive effects were practically neutralized by subsiding prices and volumes for traditional FDG products.

Price increases and the expansion of business operations at the UK interest led to a substantial improvement in sales in the Others segment. The inflow in the quantity of active materials was reduced year on year in Germany.

With sales of € 64.7 million in 2015, Europe remains the Group's main sales region geographically. This segment generated 46 % of consolidated sales, compared to € 67.6 million, or 53 %, in the prior year. The reason for the relative decline was lower sales in the Radiation Therapy segment in Russia as well as the discontinuation of a trade business in France. Customers from Germany made the greatest contribution in Europe with € 24.3 million (prior year: € 24.7 million). The largest sales market for Eckert & Ziegler's products in 2015 was once again the United States, where goods worth € 48.0 million (predominantly in USD) were invoiced. Sales in USD accounted for 47 % (prior year: 43 %) of total consolidated sales. The Group is now more dependent on exchange rates than in the prior year.

2.1.2 Results of operations

Despite the 10 % rise in sales, gross profits declined by 2 % to € 62.4 million. The disproportional increase in the cost of sales is a result of the shift to lower-margin products (such as due to the increase in merchandise in the Isotope Products segment following the acquisition in Brazil as well as due to a drop in the share of sales generated in the energy sector) as well as falling prices (affecting implants in the Radiation Therapy segment as well as the cyclotron division in the Radiopharma segment). The cost of sales also includes one-off effects, such as settlement payments in the Radiation Therapy segment as well as increases in provisions in the Others segment.

Sales and administration costs rose by 9 % and 8 %, respectively. As is also the case with sales, a share of these costs are incurred in USD, which means that the change in the USD exchange rate also made an impact; the increase in costs was mainly due to the change in the USD exchange rate. Other income rose by € 1.1 million to € 12.0 million. This includes extraordinary income from the disposal of the OctreoPharm Sciences GmbH (OPS) investment, and the sale of the Radiation Therapy segment's US implant division. All told, EBIT increased by 30 % to € 16.8 million.

As income from the OPS transaction is largely only subject to effective taxation of 1.5 %, the tax rate declined from 45 % to 33 %. Consolidated profit after taxes and minority interests rose by 58 %, from € 6.8 million to € 10.7 million. The number of shares remained stable at 5.3 million. Earnings per share increased by € 0.75 per share to € 2.03 per share.

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 in the reporting period 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.

External sales in the segment increased by € 7.4 million to € 66.9 million, largely due to currency effects. Costs rose by a disproportionately high amount of € 9.1 million as a share of these costs are affected by the change in the USD/€ exchange rate, and because of the increase in fixed costs due to the new facility in Brazil; the devaluation of the Brazilian Real was also felt. Overall, the segment recorded a 9 % decrease in net profit to € 9.3 million; this was also due in part to the margin being impacted by the above-mentioned drop in sales in the energy sector and radiocarbon dating.

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 less than € 100 million. The number of treatments is declining and margins are under pressure. The expansion of the implant business to include the United States was not successful as the market here had contracted by more than had initially been expected. The US implant business was sold to a local competitor at the end of 2015.

Today, annual global sales of the segment's second main product group, isotope-based tumor irradiation equipment and the accompanying services, are estimated at € 200 million. Although Eckert & Ziegler's share of the world market here is still low, it is growing far faster than the overall market. The primary sales markets are the emerging markets. Their lower overhead costs give Eckert & Ziegler's equipment a competitive edge over competing products. Cobalt emitters are used in most 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. The development of the new SagiNova® was completed in 2015 and was approved for use in almost all countries. The SagiNova® therefore also successfully entered the US market.

Segment sales went up by 7 % to € 30.9 million in 2015. This figure also includes sales of € 3.5 million from the US implant business, which was sold at the end of 2015. A positive development was shown by tumor irradiation equipment due to the launch of the SagiNova® and the fulfillment of projects from the prior year.

Additional austerity measures were implemented in 2015, resulting in the balance sheet being impacted by extraordinary expenses. The disposal of the US implant business resulted in extraordinary income of approximately € 1.0 million. The extraordinary income is attributable to the purchase price resulting from the expected earn-out payments, which is payable depending on the sales generated in 2016. As a result, receivables of € 1.8 million resulted as of the balance sheet date from the sale of assets. All told, the segment reported a loss of € 4.3 million.

Detailed information about the Radiation Therapy segment can be found in Eckert & Ziegler BEBIG S. A.'s Annual Report (*www.bebig.com*). 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.	Discrepancies from product sales with the Radiopharma segment	Differences resulting from customer base and tax adjustments
Sales to external customers	**30,915**	**31,088**	**– 173**	**0**
Other costs & income	– 34,635	– 34,464	0	– 171
EBT	**– 3,720**	**– 3,376**	**– 173**	**– 171**
Income taxes	– 571	– 674	0	103
Net income	**– 4,291**	**– 4,050**	**– 173**	**– 68**

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 radioactive agents imaging and other products are primarily [18F] fludeoxyglucose (18F FDG), which is glucose marked with fluorine-18. This product 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.

Segment sales rose by a total of 6 % to € 34.2 million, although, as described above, developments varied within the individual product categories. Costs in the Radiopharma segment also rose by a disproportionately high amount. This was due to the additional costs for the facility in Warsaw, Poland, the effects of falling FDG prices as well as additional transport costs for the new pharmaceutical cyclotron products.

Segment profits include extraordinary income of € 6.1 million from the disposal of the OPS investment, which is comprised of fixed purchase price components and variable purchase price components depending on whether certain milestones are achieved. The likelihood of achieving these milestones has been estimated at 50 % and 30 %, resulting in an expected value of € 1.7 million, which was accordingly capitalized as a receivable and recognized through profit and loss in 2015. Overall, the EBIT of the segment increased more than threefold to € 8.3 million.

Others segment

The Others segment includes Environmental Services 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 rose by € 1.4 million in the reporting year. Price increases had the desired effect: Increasing sales and, at the same time, reducing the amount of newly accepted radioactive waste. On the income side, the segment reported two contrary one-off effects: Firstly, the rise in costs for the decontamination of radioactive waste required an increase in provisions of approximately € 2.5 million. Secondly, the Others segment also received part of the income from the OPS investment of € 2.7 million as both the Radiopharma segment and the holding company had options to the OPS shares. The manner in which the income from the disposal of the OPS investment is calculated is the same as that described for the Radiopharma segment. The income of the Others segment recognized through profit or loss for fiscal year 2015 that is dependent on achieving the milestones amounts to the expected value of € 0.5 million. Overall, EBIT increased by € 0.9 million to € – 1.8 million.

2.1.4 Financial position

The cash flow statement opens with net income which, as is outlined in the results of operations, increased by € 3.9 million to € 10.4 million. Cash inflows from operating activities rose by even more, by € 5.6 million to € 16.2 million, although income from the disposal of the OPS investment of € 8.8 million as well as income from the sale of assets of € 0.9 million were eliminated when calculating cash flow from operating activities. The increases in cash flow were mainly due to the reduction in net working capital. As a result, receivables declined by € 2.0 million and inventories, which had risen by a sharp € 5.1 million in the prior year, fell slightly by € 0.3 million.

Cash flow from investing activities is positive overall as cash flows from the disposal of the OPS investment of € 5.4 million exceed investment of € 4.8 million. In 2015, investments mainly included maintenance investments and, as the prior-year figure had included investments for the construction of a facility in Warsaw, Poland, are down year on year by a corresponding amount.

Cash flows from financing activities are more or less unchanged as against the prior year. Loan repayments declined from € 7.0 million to € 6.4 million due to the expiry of old loans. 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 USD exchange rate caused the value of cash and cash equivalents to increase by € 0.9 million. Overall, liquidity rose by € 9.6 million to € 31.5 million in 2015.

2.1.5 Net assets

The balance sheet total increased by € 9.3 million to € 196.7 million in 2015. On the assets side, the change was due almost entirely to the € 9.6 million increase in cash. Shifts within assets were also prominent: Disposals of shares measured at equity, a drop in trade receivables and a decrease in intangible assets. However, there was a rise in other assets, which include, among other things, long-term purchase price components and purchase price receivables that remain unpaid. On the liabilities side, equity rose by a total of € 10.2 million due to positive net income, less dividend payments as well as the currency translation differences of foreign business operations that are recognized directly in equity. Liabilities declined by a total of € 0.8 million. Despite a rise in the balance sheet total, the equity ratio improved from 50 % to 53 %.

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 2015, 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 2015, Eckert & Ziegler AG received profit of € 7,276 thousand (prior year: € 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 € 708 thousand to € 4,638 thousand. This primarily relates to income from services and rents for affiliates. This increase is attributable to a more extensive range of services and currency effects.
b) Other operating income rose by € 1,992 thousand to € 2,492 thousand and in fiscal year 2015 were mainly due to the disposal of the OPS investment.
c) Personnel expenses increased by € 165 thousand to € 2,772 thousand. The Group's remuneration system for the compensation of board members is explained in the Remuneration Report.
d) Depreciation on property, plant and equipment increased by € 31 thousand to € 568 thousand.
e) Other operating expenses fell year on year by € 231 thousand to € 1,910 thousand, mainly as a result of savings in IT.
f) Income from profit transfers increased year-on-year by € 2,400 thousand to € 7,276 thousand as a dividend from a French subsidiary, which is not paid every year for administrative purposes, was included in fiscal year 2015.
g) Based on scheduled repayments of granted and received loans, interest income fell by € 89 thousand to € 440 thousand and the interest expense declined by € 120 thousand to € 364 thousand.
h) The weak year for the Radiation Therapy segment and the reduced business prospects required an adjustment of the carrying amount of the investment in Eckert & Ziegler BEBIG S. A. of € 4,238 thousand.

Net profit of € 4,794 thousand was reported for fiscal year 2015.

Net assets and financial position

Eckert & Ziegler AG's balance sheet total rose by € 662 thousand to € 87,107 thousand year-on-year.

On the assets side, the main changes were as follows: Shares in affiliates declined by € 4,238 thousand due to the fall in the value of the investment in Eckert & Ziegler BEBIG S. A. Receivables due from affiliates rose by € 2.2 million due to profit transfers not yet paid as well as delays in the payment of invoices for services. However, loans to affiliates decreased by € 1.6 million due to the scheduled repayment of loans. As of the balance sheet date, other assets included a receivable from outstanding payments relating to the disposal of OPS, resulting in the value of this item rising by € 1,873 thousand. Intangible assets in particular declined by € 425 thousand due to amortization. Bank balances rose by € 2,823 thousand as a result of cash inflows from the disposal of OPS, profit transfers and received loan repayments.

Shareholders' equity amounts to € 82,986 thousand and is up € 1,622 thousand year on year. The increase stems from the difference between net profit of € 4,794 thousand and the dividend payout of € 3,173 thousand.

On the liabilities side, the € 1,305 thousand decline in liabilities to banks to only € 45 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 € 3,983 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 94 % to 95 %.

2.3 Employees

As of December 31, 2015, Eckert & Ziegler had a total of 692 employees (2014: 711) throughout the Group. The number of employees therefore decreased by 19, or 3 %, over the same period in the prior year. The decline was the result of cost-cutting measures in the Radiation Therapy segment, where 24 jobs were lost due to poor business performance.

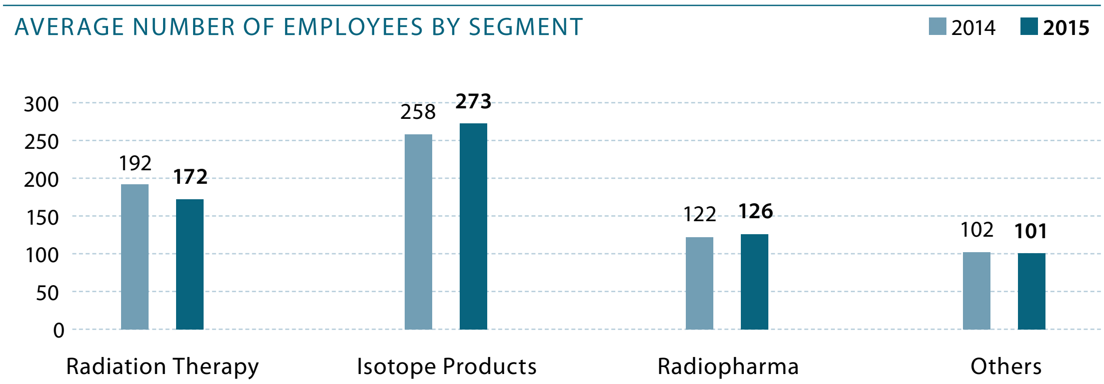
Based on the definition for calculating employee numbers set forth in the German Commercial Code (Handelsgesetzbuch; HGB), which reflects the average number of employees over the course of a year and excludes members of the Executive Board, general managers, trainees, and interns, but includes part-time employees and employees with minimal working hours, the number of employees fell from 674 to 672.

The turnover rate, i.e. the number of employees who left the Group in the reporting year according to this definition, was 16 %, slightly higher than the prior year's figure of 13 %, and hence above the average turnover rate in Germany of around 12 %. The reason for the higher turnover rate is the restructuring efforts in the Radiation Therapy segment. The proportion of women in the total Group workforce declined by a minimal amount from 40 % to 39 % in the period under review. The average age of the Group's workforce in the period under review was 44 (prior year: 43) with a focus on the 40 to 49-year-old age group. Roughly half of all employees have a qualification from a university of applied sciences/bachelor's degree or a higher level of education.

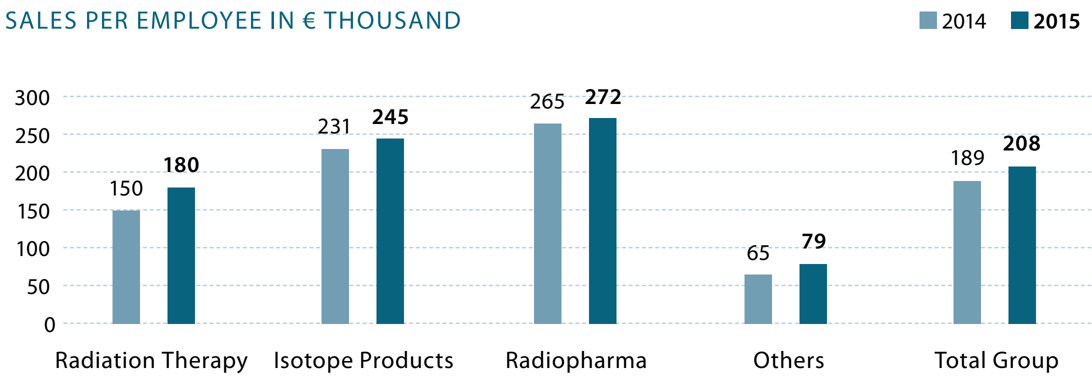
In its meeting on June 3, 2015, the Supervisory Board set a minimum ratio of female representation according to the German Act on the Equal Participation of Women and Men in Positions of Management (Gesetz zur gleichberechtigten Teilhabe von Frauen und Männern an Führungspositionen; GgT). A ratio of one-sixth was set for the Supervisory Board, which is to be implemented by June 30, 2017 at the latest. No ratios have yet to be set for the Executive Board and other levels of management.

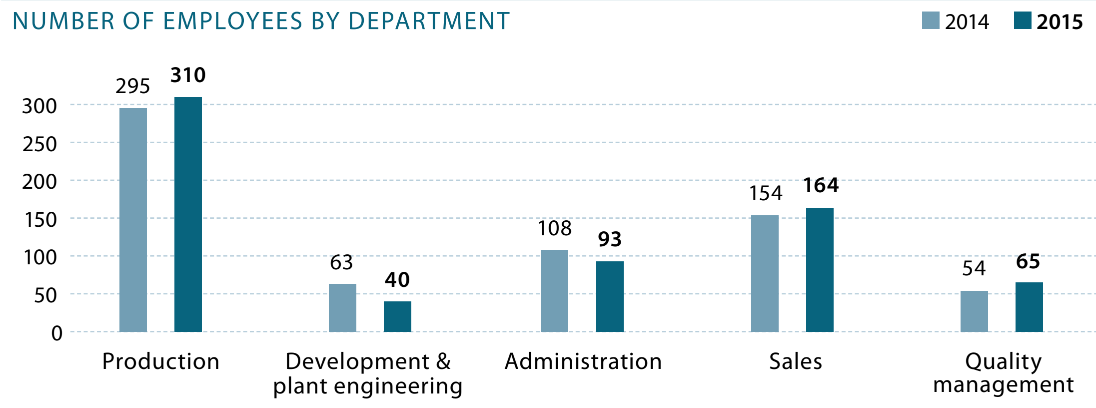
As in the prior year, Eckert & Ziegler Strahlen- und Medizintechnik AG employed an average of 42 employees.

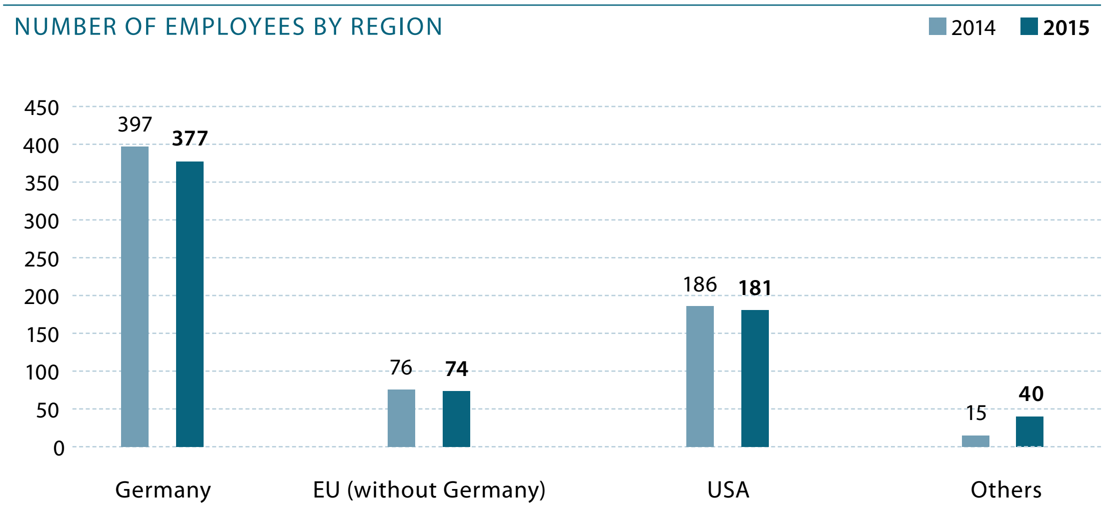
AVERAGE NUMBER OF EMPLOYEES BY SEGMENT



SALES PER EMPLOYEE IN € THOUSAND







Personnel expenses totaled € 49.6 million in the period under review (prior year: € 44.9 million). This results in average personnel expenses of roughly € 74 thousand per employee in 2015 compared to approximately € 67 thousand in the prior year. The increase was largely the result of the conversion of otherwise stable salaries from US dollars to euros and additional expenditure for restructuring measures. The absolute increase in average salary is also erroneous because, based on the definition set forth in the German Commercial Code (HGB), members of the Executive Board and general managers are excluded from this figure, but are included in personnel expenses.

2.4 Overall statement concerning the economic position

Reaching € 140 million in sales and generating € 8 million from the sale of the OPS investment are the two outstanding success stories of 2015. The primary negative factors were the losses in the Radiation Therapy segment and the increase in provisions for environmental restoration due to an external price hike. 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

In the second half of 2015, the World Bank conducted an audit at a company belonging to the Radiation Therapy segment. In mid-February 2016, the World Bank requested from the management further information relating to a tender process for an investment project in Bangladesh in 2012 and 2013. Based on the information available at present, the Executive Board does not believe that there were any irregularities on the part of the Group. The Executive Board is keen to provide prompt and complete answers to the questions asked by the World Bank and, in order to do so, has set up an internal investigation commission and assured the World Bank its full support and cooperation in clarifying the issues at hand.

In February 2016, Eckert & Ziegler Radiopharma GmbH (EZR) acquired a 9.2 % stake in Danish company Curasight for DKK 2,254 thousand (€ 302 thousand). EZR will support Curasight in obtaining market clearance for its uPar breast cancer diagnostics product within the scope of a cooperation agreement. EZR plans to make contributions in kind in future capital increases and, in so doing, increase its stake to roughly 25 %.

In mid-March 2016, the Executive Board decided to discontinue the Isotope Products (VSU) cash-generating unit (CGU). The CGU was acquired in 2012, but generated sales of € 299 thousand in fiscal year 2015 and a pre-tax loss of € 1,630 thousand. The Executive Board does not believe that discontinuing this unit will have any major impact on the net assets, financial position and results of operations of the Group in fiscal year 2016 and beyond.

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, Eckert & Ziegler Strahlen- und Medizintechnik AG, 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 separately. Risks are classified as follows:

Classification	Probability of occurrence	Intensity
1-Low	Up to 10 %	Up to € 200.000
2-Medium	25 to 25 %	€ 200.000 to € 1.000.000
3-High	50 to 50 %	€ 1.000.000 to € 2.500.000
4-Very high	Above 50 %	More than € 2.500.000

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: **Medium**
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 36 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 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 value of the intangible assets. Impairment tests are 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.

The amount of deferred taxes on loss carry-forwards is also subject to discretion, as deferred tax assets are recognized on the basis of earnings forecasts.

Changes in procedures due to new IFRS regulations or the deterioration of planning assumptions on account of lower future income or higher discounting rates could cast doubt on the recoverability of the intangible assets. This would result in non-cash impairment losses.

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: **Medium**/Intensity: **Medium**
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 2015, 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 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 repeatedly 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, 2015. The bank was informed in advance of the likely non-compliance with the covenants and the management is currently engaging in discussions with the bank. The loan amount in question is recognized accordingly in the consolidated balance sheet 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 most important loans have been taken out at fixed interest conditions

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. 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 be expected to have a substantial negative influence on Group earnings. A lawsuit concerning the withdrawal of a site in Lower Saxony's license to handle materials is considered to have an extremely low chance of success.

4.5 IT risks

Probability of occurrence: **Medium**/Intensity: **Medium**
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: **Medium**/Intensity: **Medium**
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. Eckert & Ziegler is reliant on employees with specialist knowledge. In some cases, vacant positions cannot be filled immediately due to the lack of qualified personnel. Despite employee-friendly measures, Eckert & Ziegler cannot guarantee that these employees will remain with the company or display the necessary level of commitment.

4.7 General risks from the production and handling of radioactivity

Probability of occurrence: **Medium**/Intensity: **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. Given the rising threat of terror around the world, there is also the risk that the transportation of radioactive components will be more strictly regulated.

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: **High**/Intensity: **Medium**
As a specialist for a broad portfolio of isotope-based components, irradiation equipment, and radio-pharmaceuticals, 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: **High**
Sales to the Group's five largest customers in the period under review totaled € 12.2 million, or approximately 9 % of total performance. Compared to the prior year, in which the five largest customers accounted for 8 % of sales, sales with extremely large customers increased by a slight but disproportionately high amount. In spite of this, Eckert & Ziegler's customer base is still relatively broad.

4.10 Research and development risks

Probability of occurrence: **Medium**/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 Opportunity report

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.

Opportunities in the Radiation Therapy segment are primarily linked to the market entry of the new SagiNova® tumor irradiation equipment.

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

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.

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 fixed-interest conditions. Existing swaps are not recognized as hedges, as they do not meet the criteria to be classified as hedges.

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. There have been no material changes in risks.

5. OUTLOOK

5.1 Overall economic environment

Economic development was mixed in 2015. Global economic growth was around 2 %, particularly on account of sustained strong growth in China at approximately 7 %. Growth in the US was slightly over 2 %, while the economy in Germany and the eurozone as a whole generated growth of roughly 1.5 %. Stable growth compared to 2015 figure is expected in 2016.

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.

In 2015, the weighted average of US dollar/euro was 1.11, which was 17 % lower than the average in 2014. At the time of preparing the consolidated financial statements, the exchange rate was roughly at this level, which is to be considered favorable to Eckert & Ziegler's key figures in a historical context (2003 was the last time exchange rates were at such a level).

No significant negative effects have resulted from these currency fluctuations so far. It is difficult to forecast how exchange rates will develop throughout the remainder of 2016. 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 2016 determined by Consensus Economics, Inc. is currently 1.06. 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 Isotope Products segment

The Isotope Products segment features stable sales and income but is limited in terms of its organic growth opportunities. With sales remaining constant at roughly € 70 million, EBIT should increase by roughly € 1 million on account of lower losses from Brazil and radiocarbon dating.

5.3 Future business development in the Radiation Therapy segment

Following the disappointment in prior years, the Radiation Therapy segment has taken measures to return to turning a profit. Unprofitable business fields, such as the US implant division, have been sold, while sites have been closed and other cost-cutting measures implemented. This is expected to result in sales declining to just under € 30 million; however, positive EBIT should be generated.

5.4 Future business development in the Radiopharma segment

The Radiopharma segment is to increase sales to over € 35 million. However, the one-off income from the disposal of the OPS investment will be missing, meaning that EBIT of roughly € 3 million is expected.

5.5 Future business development in the Others segment

The Others segment should generate stable sales with a slight improvement in EBIT due to the loss of one-off effects of roughly € – 3 million.

5.6 Future business development at the Group

All in all, stable sales of approximately € 140 million are expected in fiscal year 2016 and EBIT of roughly € 16 million. This should result in consolidated profit of roughly € 9.5 million, or € 1.80 per share.

The forecasts are based on a USD/EUR exchange rate of no more than 1.15.

5.7 Future business development of Eckert & Ziegler Strahlen- und Medizintechnik AG

The holding company's planning for 2016 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 2015 and therefore make a positive contribution to earnings. In total, net profit of around € 4 million is expected for fiscal year 2016 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 Executive Board

The following table shows the Executive Board remuneration granted and paid in fiscal year 2015 and the prior year. As no Executive Board member received share options or pension commitments, the granted remuneration corresponds to paid remuneration.

	Dr. Andreas Eckert				Dr. Edgar Löffler				Dr. André Heß			
	Executive Board Chairman				Member of the Executive Board responsible for the Therapy segment				Member of the Executive Board responsible for the Radiopharma segment			
	Date of appointment		July 3, 1997		Date of appointment		May 7, 2001		Date of appointment		March 1, 2008	
Amounts in € thousand	Prior year	2015	Min	Max	Prior year	2015	Min	Max	Prior year	2015	Min	Max
Fixed remuneration	300	300	300	300	186	186	190	190	180	194	194	194
Additional benefits	31	32	32	32	42	33	30	30	30	30	30	30
Total	**331**	**332**	**332**	**332**	**228**	**219**	**220**	**220**	**210**	**224**	**224**	**224**
One-year variable remuneration	0	0	0	0	0	0	0	0	0	0	0	0
Multi-year variable remuneration	216	270	0	500	32	19	0	250	114	272	0	275
Bonus on Group EBIT (5 years)	*216*	*270*	*0*	*500*								
Bonus on Group EBIT excluding the Radiation Therapy segment (5 years)					*73*	*96*	*0*	*100*				
Bonus on EBIT for the the Radiation Therapy segment (5 years)					*– 41*	*– 78**	*0*	*150*				
Bonus on Group EBIT excluding the Radiopharma segment (3 years)									*52*	*66*	*0*	*100*
Bonus on EBIT for the the Radiopharma segment (3 years)									*62*	*207**	*0*	*175*
Total	**216**	**270**	**0**	**500**	**32**	**19**	**0**	**250**	**114**	**272**	**0**	**275**
Pension expenses	0	0	0	0	0	0	0	0	0	0	0	0
Total remuneration	**547**	**602**	**332**	**832**	**260**	**238**	**220**	**470**	**324**	**496**	**224**	**499**

* *In some cases, variable remuneration can be lower or higher than the minimum / maximum amounts, because the caps are reconciled accumulatively over the term of the contract and the reported minimum and maximum amounts are to be interpreted as annual averages.*

The reported variable remuneration for 2015 relates to the final figures in the financial statements and was paid in this amount in 2016. Due to the iteration issue, the provisions for bonuses reported in the balance sheet as of December 31, 2015 may deviate slightly from these amounts.

Pension provisions of € 391 thousand (prior year: € 380 thousand) relate to a former member of the Executive Board. In fiscal year 2015, pension payments were made to this former Executive Board member in the amount of € 32 thousand (2014: € 32 thousand).

6.1.3 Total remuneration of the Supervisory Board

In fiscal year 2015, members of the Supervisory Board received fixed remuneration totaling € 75 thousand (2014: € 75 thousand) and attendance fees in the amount of € 26 thousand (2014: € 27 thousand). This equates to total expenses of € 101 thousand (2014: € 102 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 (2014: 20)	5 (2014: 5)	25 (2014: 25)
Prof. Dr. Nikolaus Fuchs	Deputy Chairman of the Supervisory Board	15 (2014: 15)	5 (2014: 5)	20 (2014: 20)
Hans-Jörg Hinke	Member of the Supervisory Board	10 (2014: 10)	5 (2014: 5)	15 (2014: 15)
Dr. Gudrun Erzgräber	Member of the Supervisory Board	10 (2014: 10)	5 (2014: 6)	15 (2014: 16)
Prof. Dr. Detlev Ganten	Member of the Supervisory Board	10 (2014: 10)	2 (2014: 2)	12 (2014: 12)
Prof. Dr. Helmut Grothe (since 2014/8/1)	Member of the Supervisory Board	10 (2014: 4)	4 (2014: 2)	14 (2014: 6)
Dr. Fritz Oesterle (until 2014/7/31)	Member of the Supervisory Board	0 (2014: 6)	0 (2014: 3)	0 (2014: 9)

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, 2015, 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 fur 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, 2015, 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 32,24 % 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, 2015.

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 on a resolution adopted by the Annual General Meeting on Wednesday, June 3, 2015, the Executive Board is empowered until Tuesday, June 2, 2020 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, 2015, the company held 4,818 (2014: 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 and consolidated financial statements provide a true and fair view of the net assets, financial position, and results of operations of the Company 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 principal opportunities and risks associated with the expected development of the Company and the Group.

Berlin, March 18, 2016

Eckert & Ziegler Strahlen- und Medizintechnik AG

The Executive Board

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

GROUP FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEAR 2015

INDIVIDUAL FINANCIAL STATEMENTS OF THE ECKERT & ZIEGLER AG

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

€ thousand	Notes	2014 (adjusted)	2015
Revenues	6.	127,256	**140,046**
Cost of sales	7.	– 63,474	– 77,695
Gross profit on sales		63,782	**62,351**
Selling expenses	8.	– 23,576	– 25,649
General administration costs	9.	– 25,044	– 27,029
Other operating income	12.	1,067	11,964
Other operating expenses	13.	– 3,914	– 5,336
Operating profit		12,315	**16,301**
Results from shares measured at equity	14.	– 609	– 408
Exchange rate gains		1,811	1,641
Exchange rate losses		– 561	– 724
Earnings before interest income and income taxes (EBIT)		12,956	**16,810**
Interest income	16.	468	165
Interest expenses	16.	– 1,628	– 1,471
Income before income taxes		11,796	**15,504**
Income taxes	17.	– 5,299	– 5,138
Net income		6,497	**10,366**
Profit attributable to losses / gains	18.	– 278	– 352
Dividend to shareholders of Eckert & Ziegler AG		6,775	10,718
Earnings per share	19.		
Undiluted (EUR per share)		1.28	**2.03**
Diluted (EUR per share)		1.28	**2.03**
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	2014 (adjusted)	2015
Net income		**6,497**	**10,366**
Of which attributable to shareholders of Eckert & Ziegler		6,775	10,718
Of which attributable to minority interests		– 278	– 352
Items that may be reclassified to the income statement if certain conditions are met			
Exchange rate differences that arose during the fiscal year		3,303	3,213
Exchange rate differences from the translation of foreign business operations	**29.**	**3,303**	**3,213**
Amount reposted to income statement		– 2	0
Financial assets available for sale		**– 2**	**0**
		3,301	**3,213**
Items that will not be reclassified to the income statement in the future			
Change in the actuarial profits (+) / losses (–) from performance-oriented pension commitments		– 2,675	560
Revaluation of the defined benefit obligation	**29., 32.**	**– 2,675**	**560**
Deferred taxes		**843**	**– 177**
		– 1,832	**383**
Other comprehensive income after taxes		**1,469**	**3,596**
Consolidated comprehensive income		**7,966**	**13,962**
Comprehensive income attributable to:			
Shareholders of Eckert & Ziegler AG		8,257	14,292
Minority interests		– 291	– 330

CONSOLIDATED BALANCE SHEET

€ thousand	Notes	As of Jan 1, 2014 (adjusted)	As of Dec 31, 2014	As of Dec 31, 2015
Assets				
Non-current assets				
Goodwill	20.	34,906	38,321	40,029
Other intangible assets	20.	17,808	17,297	14,092
Property, plant and equipment	21.	33,542	36,119	35,973
Shares in at-equity investments	22.	3,439	5,323	2,780
Trade receivables		2,853	368	0
Deferred tax assets	17.	10,105	9,465	9,366
Other non-current assets	23.	3,104	2,501	5,711
Total non-current assets		**105,757**	**109,394**	**107,951**
Current assets				
Cash and cash equivalents	24.	29,414	21,824	31,466
Securities	25.	20,277	23,401	21,391
Trade receivables	26.	17,778	24,322	25,049
Inventories		0	3,577	1,214
Other current assets	27.	5,159	3,849	9,605
Non-current assets held for sale		0	962	0
Total current assets		**72,650**	**77,935**	**88,725**
Total assets		**178,407**	**187,329**	**196,676**
Equity and Liabilities				
Capital and reserves	28.			
Subscribed capital		5,293	5,293	5,293
Capital reserves		53,500	53,500	53,500
Retained earnings		28,534	32,136	39,681
Other reserves		– 3,808	– 2,326	1,248
Own shares		– 27	– 27	– 27
Equity to which the shareholders of Eckert & Ziegler are entitled		**83,492**	**88,576**	**99,695**
Minority interests	18.	6,773	5,914	4,973
Total capital and reserves		**90,265**	**94,490**	**104,668**
Non-current liabilities				
Loans and financial lease liabilities	29.	17,572	7,279	4,977
Deferred income from grants and other deferred income (non-current)	30.	715	680	1,588
Deferred tax liabilities	17.	1,932	2,728	4,081
Provisions for pensions	31.	7,963	11,094	10,494
Other provisions	32.	23,991	23,637	27,762
Other non-current liabilities	33.	4,354	4,632	3,820
Total non-current liabilities		**56,527**	**50,050**	**52,722**
Current liabilities				
Loans and financial lease liabilities	29.	5,055	11,426	10,551
Trade payables		7,779	8,220	7,533
Advance payments received		2,241	3,090	398
Deferred income from grants and other deferred income	30.	104	117	256
Income tax liabilities		915	2,142	2,134
Other current provisions	32.	4,014	3,600	3,662
Other current liabilities	34.	11,507	14,194	14,752
Total current liabilities		**31,615**	**42,789**	**39,286**
Total equity and liabilities		**178,407**	**187,329**	**196,676**

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, 2015	**5,292,983**	**5,293**	**53,500**	**32,136**
Total of expenditures and income recognized directly in equity	0	0	0	0
Net income				10,718
Net income	0	0	0	10,718
Dividends paid				– 3,173
Balance as of December 31, 2015	**5,292,983**	**5,293**	**53,500**	**39,681**

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**

Cumulative other equity items					
Unrealized profit from actuarial gains/losses	Foreign currency translation differences	Own shares	Equity attributable to shareholders Eckert & Ziegler Strahlen- und Medizintechnik AG	Minority interests	Consolidated Equity
– 2,665	**339**	**– 27**	**88,576**	**5,914**	**94,490**
383	3,191	0	3,574	22	3,596
			10,718	– 352	10,366
383	3,191	0	14,292	– 330	13,962
			– 3,173	– 611	– 3,784
– 2,282	**3,530**	**– 27**	**99,695**	**4,973**	**104,668**

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 Medizintech-nik 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**

CONSOLIDATED CASH FLOW STATEMENT

€ thousand	Notes	2014 (adjusted)	2015
Cash flow from operating activities	37.		
Net income		6,497	10,366
Adjustments for			
Depreciation, amortization and impairments		7,143	8,764
Income tax expense		5,299	5,138
Income tax payments		– 3,946	– 2,823
Income not affecting payments from the writing back of deferred grants		– 22	– 101
Loss from the disposal of fixed assets		12	– 858
Gains on the sale of entities consolidated at equity		–	– 8,785
Profit from the disposal of securities		– 3	–
Change in the non-current provisions, other current liabilities		– 336	3,130
Change in other non-current assets and receivables		1,701	451
Other events not affecting payments		– 1,408	– 1,664
Changes in the current assets and liabilities			
Receivables		– 766	1,985
Inventories		– 5,149	266
Change in other current assets		– 1,470	127
Change in the current liabilities and provisions		3,101	234
Cash inflow from operating activities		**10,653**	**16,230**
Cash flow from investment activities	38.		
Expenditures on intangible assets and property, plant and equipment		– 7,815	– 3,843
Profit from the sale of intangible assets and property, plant and equipment		38	23
Expenditures on acquisitions (less cash and cash equivalents)		– 780	– 574
Expenditures for shares in entities consolidated at-equity		– 2,278	–
Expenditures on non-current assets		–	5,366
Profit from the disposal of securities		22	–
Cash outflow from investment activities		**– 10,813**	**972**
Cash flow from financing activities	38.		
Paid dividends		– 3,173	– 3,173
Distribution of shares of third parties		– 393	– 682
Cash inflows from the taking out of loans		2,962	3,129
Cash outflows from the redemption of loans		– 7,020	– 6,386
Purchase of equity instruments of subsidiaries		– 150	– 350
Received interest		433	100
Paid interest		– 1,206	– 1,058
Cash inflows/outflows from financing activities		**– 8,547**	**– 8,420**
Changes in the financial holdings owing to exchange rates		1,117	860
Decrease in the financial holdings		**– 7,590**	**9,642**
Financial holdings as of the beginnning of the period		**29,414**	**21,824**
Financial holdings as of the end of the period		**21,824**	**31,466**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEAR 2015

The Executive Board approved the consolidated financial statements for submission to the Supervisory Board on March 18, 2016.

BASIS, PRINCIPLES AND METHODS

1 | ORGANIZATION AND DESCRIPTION OF BUSINESS ACTIVITIES

Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany (referred to as "Eckert & Ziegler AG" in the following) is a holding company with specialized subsidiaries worldwide engaged in the processing of radio isotopes and the development, production and sale of components based on isotope technology, radiation 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, 2015 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 of January 1 to December 31, 2015. The consolidated income statement was prepared according to the cost of sales method. The other result is shown in the "Group 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, 2015 are published in the electronic version of the Federal Official Gazette [Bundesanzeiger].

3 | ACCOUNTING AND VALUATION PRINCIPLES

Accounting and measurement principles • Uniform accounting and measurement principles, which were also used for the comparative information of the previous year, are applied for the recognition of assets and liabilities of the domestic and foreign subsidiaries included by way of full consolidation.

Disclosure • In accordance with IAS 1.56 (Presentation of Financial Statements), current and non-current assets, as well as current and non-current liabilities, are differentiated on the balance sheet.

Estimates and assumptions • When preparing the consolidated financial statements in accordance with IFRS, it is necessary to make estimates and assumptions that affect 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 changes in estimates have a significant impact, disclosures are made according to IAS 1.125.

Discretionary decisions in the application of the accounting and measurement • Non-current intangible assets and property, plant, and equipment are recognized on the balance sheet at amortized cost. The option to recognize these assets at fair value, which is also permitted, is not utilized.

Goodwill • Goodwill represents the difference between the total purchase price for a company or business operation and the fair value of the acquired net assets. 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 • Customer relationships, capitalized development costs, patents, technologies, restraints on competition, software, licenses and similar rights are disclosed under other intangible assets. 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. Amortization of capitalized development costs is reported within cost of sales. 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.

Property, plant, and equipment • Property, plant, and equipment is measured at amortized cost less impairments. The cost of company-produced equipment and systems includes all direct costs and allocated production overheads, as well as financing costs insofar as the requirements according to 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. 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

Land is not depreciated.

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.

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. The Executive Board assumes that there is no impairment of recoverability as of December 31, 2015. However, it is possible for the assessments of the Executive Board regarding the ability to use and exploit the Group's depreciable assets to change, even in the short term, due to technology developments or changes in the regulatory environment.

Impairment of intangible assets and property, plant, and equipment • Intangible assets and property, plant, and equipment are impaired when the net realizable value of these assets exceeds their carrying amount due to specific events or changed 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. Two cash-generating units were identified in the Isotope Products and Radiopharma segments, respectively (Eckert & Ziegler Vitalea Science Inc. (VSU) and the Isotope Products segment without VSU, as well as the Cyclotron and Equipment divisions).

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. Cash flows after the detailed planning phase are extrapolated based on a growth rate of – 1 % – 1 % that does not exceed the expected average growth of the market or industry.

The discount rates are determined based on the weighted average cost of capital (WACC) for the respective CGU. 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 weighted average cost of capital commonly used in the industry.

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

Non-current assets held for sale • Non-current assets are classified as held for sale when the corresponding carrying amount is mainly realized through a disposal transaction and not through ongoing 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. Here the disposal process must be expected to be completed within one year after such a classification.

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 • Raw materials and supplies, work in progress and finished goods are disclosed under inventories. 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. Financing costs are not included in the cost of production since the production process takes place over the short term. The average cost method is used for simplified measurement where required.

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

Receivables • Receivables are non-derivative financial assets with payments that are fixed or can be determined, and are not listed in an active market. After they are recognized, receivables are measured at amortized cost less impairments. Gains or losses are recognized in the Group net income if the trade receivables are impaired.

Financial assets • Financial assets are measured at fair value when they are acquired. After they are recognized, financial assets are measured at amortized cost using the effective interest method, less impairments.

Derivative financial instruments • Derivative financial instruments such as swaps are generally used only for hedging. 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.

Restricted assets • Restricted assets relate to amounts paid into a fund by the US subsidiary Eckert & Ziegler Analytics Inc., Atlanta, USA to guarantee its future remediation obligations for contaminated sites.

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.

Please refer to the explanations under “Cash and cash equivalents”, “Other non-current assets” and “Loans”.

Cash and cash equivalents • The Group considers all cash and demand deposits, as well as cash equivalents that can be liquidated in the short term and are not subject to significant fluctuations in value (highly liquid assets) with a maturity of up to three months, as near-money assets disclosed under cash and cash equivalents. The face value of these assets is considered equal to their fair value due to their short maturity.

Financial liabilities • Financial liabilities include in particular trade payables, liabilities to financial institutions 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 according to the project 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. Actuarial gains and losses have been recognized in other comprehensive income under consideration of deferred taxes without affecting profit or loss and disclosed in full in the pension provisions since January 1, 2009.

Provisions • Provisions are recognized to the extent a past event results in a current obligation. 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 removal and disposal obligations • According to IAS 16, costs for the demolition and removal of an asset and the restoration of the site are part of the acquisition or production cost insofar as provisions for these costs have to be recognized according to 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 estimated cost includes the labor costs for dismantling the asset, the costs of waste processing for disposal, room cleaning costs, the costs for acceptance by an expert and the costs for the disposal of radioactive 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 • All lease contracts are operating leases. Leasing costs are expensed in the respective fiscal year.

Revenue recognition • Revenues from product sales are recognized at the time of performance according to IAS 18 insofar as there is a contractual agreement for a fixed or determinable price and payment from 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 according to IAS 11 as follows: If the result of a production order can be estimated reliably, the revenues are recognized in the course of performance when the requirements are met in accordance with the percentage of completion method. This means 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 for advertising and other sales-related costs are recognized through profit or loss when they are incurred.

Research and development • Research expenditures are recognized as other operating expenses in the period they are incurred. Development costs are capitalized in accordance with IAS 38 (Intangible Assets) when certain conditions are cumulatively fulfilled. Development costs that cannot be capitalized are expenses when incurred and reported within other operating expenses.

Income taxes • Income tax expense represents the sum of current tax expense and deferred taxes. Current and deferred taxes are recognized in the consolidated income statement unless they are related to items included either in other comprehensive income or directly in equity. Current tax expense is determined on the basis of taxable income for the year. The Group's liabilities for current taxes are calculated based on the tax rates that are currently applicable or will be in the near future. 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. Deferred taxes assets are recognized in addition for 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. In accordance with IAS 12, deferred taxes are disclosed under non-current assets or liabilities and not discounted.

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

Investment subsidies and other grants • Grants are only recognized in accordance with IAS 20.7 when the company meets the conditions for obtaining the grant. 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 • The profit or loss per share is calculated by dividing the consolidated profit applicable to the shareholders of Eckert & Ziegler AG by the average number of shares outstanding in the course of 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.

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

The new or amended standards and interpretations listed below were first applied in fiscal year 2015.

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.

IFRIC 21 was applied retroactively. The application of this interpretation had no impact on the consolidated financial statements.

ANNUAL IMPROVEMENTS TO IFRS – 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.

The application of these changes had no 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 did not apply the regulations early 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 15	Revenue from Contracts with Customers	January 1, 2018 *	January 1, 2018	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 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	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 1	Disclosure Initiative	January 1, 2016	January 1, 2016	immaterial
Änderungen an IAS 16 und IAS 38	Clarification of acceptable methods of depreciation and amortisation	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 **	February 1, 2015	immaterial
Annual improvements to IFRS	Cycle 2010–2012	July 1, 2014 **	February 1, 2015	immaterial
Annual improvements to IFRS	Cycle 2012–2014	January 1, 2016	January 1, 2016	immaterial

** EU endorsement is still pending.*
*** Different date of entry into effect due to EU endorsement: February 1, 2015*

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).

- In addition to comprehensive transition rules, IFRS 9 imposes extensive disclosure requirements both in the course of transition and for ongoing application. Changes compared to IFRS 7 Financial Instruments: Note disclosures are required in particular based on regulations for impairments.

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 15 Revenue from Contracts with Customers

The IASB published IFRS 15 on May 28, 2014. 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.

The company's Executive Board expects that significant adaptations will be required in the areas of internal control and the IT architecture based on the extensive changes due to IFRS 15.

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

The amendments to IFRS 10 and IAS 28 were published on September 11, 2014. 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 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments to IFRS 10, IFRS 12 and IAS 28 clarify that a company can apply the consolidation exception (IFRS 10.4) even when its parent company is an investment entity that recognizes its subsidiaries at fair value in accordance with IFRS 10. Furthermore, the amendments clarify that an investment entity only has to consolidate a subsidiary that provides services related to the parent company's investment activities if the subsidiary itself is not an investment entity.

The Executive Board does not believe that the amendments to IFRS 10, IFRS 12 and IAS 28 will affect the consolidated financial statements since the Group is not an investment entity and also does not include any holding companies, subsidiaries, associates or joint ventures qualified as investment entities.

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

The amendments to IFRS 11 were published by the IASB on May 6, 2014. 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 related to the recognition of business combinations according to IFRS 3 and other IFRS have to be applied insofar 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.

At this time, the amendments to IFRS 11 are not expected to have a significant impact on the consolidated financial statements.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 were published by the IASB on December 18, 2014. IAS 1 was amended to provide guidelines for the application of the materiality principle in practice, and to clarify the presentation of the statement of financial position and the statement of profit or loss and other comprehensive income. The Executive Board does not expect the amendments to IAS 1 to have a material impact on the consolidated financial statements.

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

The amendments to IAS 16 and IAS 38 were published by the IASB on December 18, 2014. 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 to IAS 16 and IAS 41 were published by the IASB on June 30, 2014. 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. To exempt bearer plants from the scope and add them to the scope of IAS 16, thereby enabling companies to measure them at amortized cost or according to the revaluation model, the definition of "bearer plant" is being added to both standards.

Since the Group's business model is not based on bearer plants, the amendments are not expected to have an impact on the company's consolidated financial statements.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

The amendments to IAS 19 were published by the IASB on November 21, 2014. 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. At this time, the Executive Board does not expect the amendments to IAS 19 to have a material impact on the consolidated financial statements.

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

ANNUAL IMPROVEMENTS TO IFRS – 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 Reconciliation of the total of the reportable segments' assets to the entity's assets	Requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments. 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 TO IFRS – 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.

The Executive Board does not expect the amendments due to the annual improvements to IFRS (2010–2012 cycle and 2012–2014 cycle) to have a material impact on the consolidated financial statements.

CONSOLIDATION PRINCIPLES

The acquisition method is applied for the consolidation of investments in subsidiaries in accordance with IFRS 3 and IFRS 10. Initial consolidation takes place at the time of acquisition, that is when control over the acquired company is obtained. Control is obtained by the company when it can exercise the authority to dispose of the associated company, is exposed to fluctuating yields on its investment and is able to influence the amount of yields based on its authority to dispose. 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 material assets and liabilities, income and expenses, and inter-company results between affiliated companies are eliminated in the course of consolidation. Joint ventures and associates are included in the consolidated financial statements according to the equity method. Earnings allocated to non-controlling interests are disclosed separately in the result for the period.

The gain or loss and all elements of other comprehensive income are allocated to the shareholders of Eckert & Ziegler AG and the non-controlling interests. This is done even when it results in a negative balance for the controlling shareholders.

Inclusion in the consolidated financial statements ends when the company ceases to have control of the subsidiary. The results of the subsidiaries acquired or disposed of in the course of the year were included in the consolidated income statement and other comprehensive income according to the date of acquisition or disposal.

SCOPE OF CONSOLIDATION

The companies included in the consolidated financial statements as of December 31, 2015 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, Spain *	80.2 %
Eckert & Ziegler Italia s.r.l., Milan, Italy *	80.2 %
Eckert & Ziegler BEBIG SARL, Paris, France *	80.2 %
Eckert & Ziegler BEBIG Ltd., Didcot, Great Britain *	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 %
Eckert & Ziegler BEBIG India Pvt. Ltd., New Delhi, India *	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, Brazil *	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., Wien, 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, Great Britain *	100 %
Americium Consortium LLC, Wilmington, Deleware, USA	50 %
000 „Ritverc“, St. Petersburg, Russia	16 %
ZAO „Nano-BrachyTech“, Dubna, Russia	12 %
000 BEBIG, Moskau Russland	12 %

* *Indirect investment.*

** *Eckert & Ziegler Isotope Products Inc. has made a commitment to its bank to comply with 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.*

*** *On December 31, 2015 Eckert & Ziegler AG held 80.2% of the voting rights in Eckert & Ziegler BEBIG S.A., corresponding to 74.6% of the shares entitled to dividends.*

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 2015:

- Eckert & Ziegler BEBIG India Pvt. Ltd., as a newly founded wholly owned subsidiary of Eckert & Ziegler BEBIG S. A., was included in the basis of consolidation effective on January 1, 2015.

The following shares in companies were acquired and changes made to the basis of consolidation in fiscal year 2014.

- Eckert & Ziegler Isotope Products Holdings GmbH founded a subsidiary (Eckert & Ziegler Brasil Participacoes Ltda.) in São Paulo, Brazil in fiscal year 2014 and, through this company, signed a contract on March 19, 2014 to acquire 100 % of the shares in the Brazilian company TOF Comercial Ltda. This company was renamed Eckert & Ziegler Brazil Comercial Ltda. following the acquisition. The main purpose of this acquisition was to support the growth strategy of the Isotope Products segment in South America, since the acquired company has sales structures across the region and all local permits required for handling isotope technology substances.

- Isotron Isotopentechnik GmbH (Berlin) was merged with Eckert & Ziegler BEBIG GmbH (Berlin) effective on January 1, 2014.

- Kompetenzzentrum für sichere Entsorgung GmbH (Berlin) was merged with Eckert & Ziegler Umweltdienste GmbH (Braunschweig) effective on January 1, 2014.

- Comtech Laborgeräte GmbH (Vienna) and MEDPRO Vertrieb für medizinisch-diagnostische Produkte Gesellschaft m.b.H. (Vienna) were merged with BSM Diagnostica Gesellschaft m.b.H. (Vienna) effective on January 1, 2014.

INTERESTS IN JOINT VENTURES

A joint venture is based on a contractual agreement, according to which the Group and another contractual partner carry out an economic activity that is subject to joint management. This is the case when the strategic financial and business policies related to the business activities of the joint venture require the consent of all joint venture partners. Interests in joint ventures are accounted for in the balance sheet in accordance with the equity method. The consolidated income statement includes the Group's share of the income and expenses, as well as changes in the equity of investments measured using the equity method. 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. Items on the income statement and the statement of cash flows are converted at the weighted average annual exchange rate. Equity components are translated at the historical rate when they were initially recognized. Resulting currency translation differences are recognized in a separate item in equity and under non-controlling interests without affecting profit or loss until the subsidiary is disposed of. Upon the disposal of the subsidiary, all accumulated currency translation differences are reclassified to the consolidated income statement. When shares in a subsidiary are disposed of with no loss of control, the proportion of the currency translation differences applicable to the shares that are sold is allocated to the non-controlling interests effective on the date of disposal.

In preparing the individual financial statements of each subsidiary, transactions denominated in currencies other than the functional currency of the Group company are converted at the exchange rate in effect on the transaction date. Monetary items are measured at the average exchange rate on each reporting date. Non-monetary items in foreign currencies measured at the cost of acquisition or production are converted at the exchange rate on the date they are first recognized on the balance sheet. 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, 2015**	Dec. 31, 2014	**Average rate 2015**	Average rate 2014
USA	USD	1.0887	1.2141	1.1095	1.3285
CZ	CZK	27.0230	27.7350	27.2792	27.5359
GB	GBP	0.7340	0.7789	0.7258	0.8061
PL	PLN	4.2639	4.2732	4.1841	4.1843
RU	RUB	80.6736	72.3370	68.0720	50.9518
BR	BRL	4.3117	3.2207	3.7004	3.1211
IN	INR	72.0215	–	71.1956	–

5 | COMPARABILITY OF THE CONSOLIDATED FINANCIAL STATEMENTS WITH THE PREVIOUS YEAR

Eckert & Ziegler BEBIG India Pvt. Ltd, India, was first included in the consolidated financial statements for 2015. This has no material impact on the Group's net assets, financial position and results of operations, so that comparability with the previous year is given.

NOTES TO THE INCOME STATEMENT

6 | REVENUES

The Group generates its sales revenues primarily through the sale of goods and, to a minor extent, the provision of services, and in the previous year, to a minor extent, from long-term production orders. Sales revenues increased from € 127,256 thousand to € 140,046 thousand in the 2015 fiscal year.

The increase in 2015 mainly resulted from the exchange rate of the USD compared to the Euro, which was 16 % more favorable compared to the previous year. An additional increase of € 2.5 million was due to the base effect of the acquisition of Eckert & Ziegler Brazil Comercial Ltda. in the previous year. Without these two positive effects, organic sales would have decreased by € 1.3 million.

Revenues are broken down as follows:

€ thousand	2015	2014
Revenues from the sale of goods	130,264	116,986
Revenues from the provision of services	9,782	9,970
Revenues from production orders	0	300
Total	**140,046**	**127,256**

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

In the previous year, the Group concluded a project begun in 2010 for the construction of production facilities for third parties, generating sales revenues from long-term production orders according to the PoC method in the amount of € 300 thousand. The cost-to-cost method was applied to determine the degree of completion. No such sales revenues were realized in fiscal year 2015.

€ thousand	2015	2014
Revenues	0	300
Order costs	0	– 50
Income from the release of provisions	0	0
Profit	0	250
Balance on the liabilities sheet	**0**	**0**

For the breakdown of sales revenues by geographic segments and business areas, please see segment reporting.

7 | 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. The cost of materials was € 41,280 thousand for 2015 and € 33,481 thousand for 2014.

8 | SELLING EXPENSES

Selling expenses are broken down as follows:

€ thousand	2015	2014
Personnel and employee benefit costs	11,545	10,864
Costs of goods issue	7,043	6,378
Advertisement	1,460	1,358
Depreciation	1,021	1,166
Commissions	1,470	641
Other	3,110	3,169
Total	**25,649**	**23,576**

9 | GENERAL ADMINISTRATIVE COSTS

General administrative costs include:

€ thousand	2015	2014
Personnel and employee benefit costs	12,497	12,425
Rent	3,093	2,156
Rent and auxiliary costs	2,796	2,425
Consulting expenses	2,077	1,884
Insurance, contributions, fees, purchased services	1,838	1,935
Communication costs	508	419
IR expenses	172	183
Earning from the writing off of accrual items	– 32	– 41
Other	4,080	3,658
Total	**27,029**	**25,044**

10 | EMPLOYEES BENEFITS AND NUMBER OF EMPLOYEES

The items on the income statement include personnel expenses of € 49,584 thousand (2014: € 44,877 thousand).

Personnel costs for fiscal years 2015 and 2014 break down as follows:

€ thousand	2015	2014
Wages and salaries	43,094	39,233
Social security contributions and expenses on retirement pensions and support	6,490	5,644
– of which for pensions	229	161

The Group companies had an average of 672 employees in 2015 (2014: 674). They worked in the following departments:

	2015	2014
Production	310	295
R & D/plant engineering	40	63
Administration	93	108
Sales and marketing	164	154
Quality management	65	54
Total	**672**	**674**

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.

Expenses totaling € 3,127 thousand (2014: € 2,907 thousand) are included in the income statement for Group contributions that are due to the disclosed pension plans. As of December 31, 2015 and 2014, 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 45.

11 | DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

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

	2015		2014	
€ thousand	Amortization	Impairments	Amortization	Impairments
Cost of sales	878	0	683	0
Selling expenses	580	0	669	0
General administration costs	1,786	61	1,007	0
Other operating expenses	85	0	51	0
Total	**3,329**	**61**	**2,410**	**0**

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

	2015		2014	
€ thousand	Amortization	Impairments	Amortization	Impairments
Cost of sales	3,097	0	2,805	0
Selling expenses	441	0	497	0
General administration costs	1,246	0	1,149	0
Other operating expenses	304	286	282	0
Total	**5,088**	**286**	**4,733**	**0**

12 | OTHER OPERATING INCOME

Other operating income increased significantly in fiscal year 2015 compared to the previous year, to € 11,964 thousand (2014: € 1,067 thousand). This is mainly due to special effects, such as proceeds from the sale of shares in Octreopharm Sciences GmbH at € 8,785 thousand, income from the sale of long-term assets in the amount of € 975 thousand, income from development services for customers at € 600 thousand and proceeds from the reimbursement of costs at € 387 thousand.

This item also includes insurance proceeds, income from the reversal of impairments and other income.

In fiscal year 2014, the item mainly included proceeds from the reduction of conditional purchase price obligations through profit or loss in the amount of € 376 thousand and income from the reimbursement of costs at € 207 thousand.

13 | OTHER OPERATING EXPENSES

Other operating expenses increased by € 1,422 thousand to € 5,336 thousand compared to the previous year (2014: € 3,914 thousand). In addition to research and development costs of € 4,037 thousand (2014: € 3,623 thousand), this item mainly consists of settlement costs incurred in the course of restructuring measures at € 754 thousand (2014: € 0 thousand), losses on the disposal of long-term assets at € 117 thousand (2014: € 22 thousand) and unplanned write-offs of production facilities that are no longer usable in the amount of € 286 thousand (2014: € 0 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 € 4,037 thousand (2014: € 3,623 thousand) include amortization, depreciation and impairments of € 390 thousand (2014: € 333 thousand), personnel costs of € 2,563 thousand (2014: € 2,613 thousand), cost of materials and external services at € 839 thousand (2014: € 337 thousand) and other expenses of € 245 thousand (2014: € 340 thousand).

14 | 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. Under the loan and stock option agreement concluded with Eckert Wagniskapital- und Frühphasenfinanzierung GmbH in September of 2012, the Group also has an option to acquire additional shares in OctreoPharm Sciences GmbH. Until the shares in OctreoPharm Sciences GmbH were sold (effective on June 30, 2015), the company had significant influence on OctreoPharm Sciences GmbH according to IAS 28 and therefore included the shares in the consolidated financial statements with measurement according to the equity method. The Group's share of the loss of OctreoPharm Sciences GmbH in fiscal year 2015 was € 408 thousand (2014: € 609 thousand) (also see the explanations under note 22).

In fiscal year 2015 and the previous years, the Group did not receive reliable information on the business and financial position of the joint venture ZAO "NanoBrachyTech". For this reason, the investment in the joint venture is no longer reported under shares in investments measured at equity but under other non-current assets since the 2015 fiscal year. However, this disclosure correction has no impact on the figures of the balance sheet items since the investment has been valued at € 0 thousand for several years already.

15 | CURRENCY TRANSLATION GAINS/LOSSES

Currency translation gains in fiscal year 2015 were mainly due to the measurement of a USD loan issued by a company with accounting in Euros within the Group to its subsidiary with accounting in USD.

Currency translation losses in fiscal year 2015 are mainly due to the measurement of a USD loan issued by a company with accounting in USD within the Group to a company with accounting in BRL.

16 | INTEREST INCOME

Interest income on financial assets measured at amortized cost amounted to € 165 thousand in fiscal year 2015 (2014: € 468 thousand), while interest expenses totaled € 1,471 thousand (2014: € 1,628 thousand).

Interest expenses include € 413 thousand (2014: € 422 thousand) of non-cash interest expenses (including compounding).

17 | INCOME TAXES

The parent company's tax rate for corporate tax, the solidarity surcharge and trade tax used as the Group tax rate for the calculation of tax expense was 30.175 % for 2015 and 2014. The Group tax rate consists of the following:

	2015	2014
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%

Income tax expense [expense(+)/income(–)] for the 2015 and 2014 fiscal years respectively ending on December 31 breaks down as follows:

€ thousand	2015	2014
Earnings before taxes:		
Germany	6,004	1,370
Foreign subsidiaries	9,500	10,426
	15,504	**11,796**

€ thousand	2015	2014
Current taxes:		
Germany	1,292	411
Foreign subsidiaries	2,861	3,518
	4,153	3,929

Of the current taxes in 2015, € – 41 thousand (income) relate to prior years (2014: € – 8 thousand).

€ thousand	2015	2014
Deferred taxes:		
Germany	341	– 200
Foreign subsidiaries	644	1,570
	985	1,370
Total taxes:	5,138	5,299

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	2015	2014
Basis for determining the tax expenditure (earnings before taxes)	15,504	11,796
Expected tax expenditure based on group tax rate	4,678	3,560
Tax rate differences at subsidiaries	– 113	177
Taxes for prior years	– 41	– 8
Non-deductible expenses	206	521
Tax-free income	– 1,772	– 320
Capitalization of previously unrecognized loss carry-forwards	– 1,025	– 355
Valuation corrections to deferred taxes	0	– 408
Value impairment on deferred taxes on loss carry-forwards	441	1,653
Use of previously non-capitalized deferred taxes on loss carry-forwards	0	– 162
Non-capitalized deferred taxes on losses of the fiscal year	2,753	646
Other	11	– 5
Effective tax expenditure	5,138	5,299

The following tax rates were used for the calculation of deferred taxes by the parent company on December 31, 2015 unchanged from December 31, 2014: corporate tax 15 %, solidarity surcharge on corporate 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.

The change in tax loss carry-forwards in the reporting year resulted in deferred tax expenses of € 1,744 thousand (2014: € 3,276 thousand) and deferred tax income of € 1,268 thousand (2014: € 1,767 thousand), while temporary differences resulted in deferred tax expenses of € 509 thousand (2014: deferred tax income of € 139 thousand).

Total deferred taxes of € 6,938 thousand (2014: € 7,414 thousand) on tax loss carry-forwards have been capitalized. 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. Loss carry-forwards of € 344 thousand (2014: € 700 thousand) apply to US companies (only in 2014) and/or Polish companies for which the loss carry-forwards begin, in part, to expire starting in 2017.

Deferred tax assets on loss carry-forwards in the amount of € 1,690 thousand (2014: € 1,221 thousand) apply to companies who incurred a loss for tax purposes in 2015. No loss carry-forwards (2014: € 162 thousand) for which no deferred tax assets for loss carry-forwards were recognized on December 31 of the respective previous year were utilized in fiscal year 2015. On December 31, 2015, the Group had loss carry-forwards of € 13,450 thousand (2014: € 12,213 thousand) for which deferred tax assets were not 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 amount of deferred tax assets on these loss carry-forwards that was not recognized on the balance sheet as of December 31, 2015 is € 4,627 thousand (2014: € 4,354 thousand).

Currency conversion resulted in an increase of deferred tax liabilities on temporary differences in the amount of € 291 thousand (2014: € 85 thousand increase of the deferred tax liabilities).

Deferred tax expenses of € 177 thousand (2014: deferred tax proceeds of € 844 thousand) were offset directly against equity without affecting profit or loss in the reporting year.

Deferred tax liabilities of € 824 thousand were recognized on the balance sheet for the previous year due to the first-time consolidation of Eckert & Ziegler Brazil Comercial Ltda. and the subsequent purchase price allocation for Mick Radio Nuclear Instruments Inc. acquired in 2013. Deferred tax liabilities were not recognized for temporary differences on retained earnings of subsidiaries in the amount of € 22,507 thousand (2014: € 22,507 thousand) because Eckert & Ziegler AG is able to control the timing of the reversal and the temporary differences are not going to reverse in the foreseeable future.

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

	Deferred tax assets		Deferred tax liabilities	
€ thousand	**2015**	2014	**2015**	2014
Tax loss carry-forwards	6,942	7,414	0	0
Fixed assets	94	113	6,932	7,792
Securities	295	175	328	165
Liabilities	785	0	0	0
Inventories	382	72	362	672
Provisions	4,630	6,991	0	0
Other	13	767	234	166
Subtotal	**13,141**	**15,532**	**7,856**	**8,795**
Balancing	– 3,775	– 6,067	– 3,775	– 6,067
Balance according to the consolidated balance sheet	**9,366**	**9,465**	**4,081**	**2,728**

18 | MINORITY INTERESTS

Consolidated earnings after taxes include profits and losses of € – 352 thousand (2014: € – 278 thousand) allocated to non-controlling interests.

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

		Participation rate of minority interests		Profit/loss (–) attributable to minority interests		Cumulative minority interests	
Name of subsidiaries	Headquarters	**Dec 31, 2015**	Dec 31, 2014	**2015 € thousand**	2014 € thousand	**Dec 31, 2015 € thousand**	Dec 31, 2014 € thousand
Eckert & Ziegler BEBIG S. A. (Radiation Therapy Segment)	Seneffe, Belgium	20%	20%	– 1,086	– 868	4,220	5,306
Eckert & Ziegler CESIO s.r.o (Isotope Products Segment)	Prague, Czech Republic	20%	20%	734	590	753	608

The Eckert & Ziegler BEBIG S. A. sub-group includes Eckert & Ziegler BEBIG S. A. and the following wholly owned subsidiaries:

- Eckert & Ziegler BEBIG GmbH, Berlin
- Eckert & Ziegler BEBIG SARL, Paris
- Eckert & Ziegler BEBIG Ltd., Cardiff
- Eckert & Ziegler BEBIG Italia s.r.l., Milan
- Eckert & Ziegler BEBIG Ltda., Fortaleza
- Eckert & Ziegler BEBIG Idia Pvt. Limited, New Delhi
- Eckert & Ziegler BEBIG Iberia, SLU, Madrid
- Eckert & Ziegler BEBIG Inc., Oxford
- Mick Radio Nuclear Instruments Inc., Mt. Vernon
- 000 Eckert & Ziegler BEBIG, Moscow

The key financial data of the Group's subsidiaries which represent significant minority interests are as follows. The summarized financial information corresponds to the amounts prior to eliminations internal to the Group.

TEILKONZERN ECKERT & ZIEGLER BEBIG S. A.

€ thousand	Dec. 31, 2015	Dec. 31, 2014
Current assets	16,809	17,240
Non-current assets	34,201	37,914
Current liabilities	– 15,629	– 15,646
Non-current liabilities	– 8,458	– 7,839
Equity attributable to shareholders of the parent company	22,703	26,363
Minority shareholders	4,220	5,306

€ thousand	2015	2014
Revenues	31,103	28,998
Expenses	– 35,392	– 32,285
Shortfall for the year (previous year: profit for the year)	**– 4,289**	**– 3,287**
Net profit for the year attributable to the shareholders of the parent company	– 3,203	– 2,419
Net profit for the year attributable to minority shareholders	– 1,086	– 868
Total net profit for the year	**– 4,289**	**– 3,287**
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	– 3,203	– 2,419
Comprehensive income attributable to minority shareholders	– 1,086	– 868
Comprehensive income	**– 4,289**	**– 3,287**

€ thousand	Dec. 31, 2015	Dec. 31, 2014
Dividends paid to minority shareholders	0	0

ECKERT & ZIEGLER CESIO S.R.O.

€ thousand	Dec. 31, 2015	Dec. 31, 2014
Current assets	5,667	7,066
Non-current assets	774	819
Current liabilities	– 2,404	– 4,679
Non-current liabilities	– 342	– 236
Equity attributable to shareholders of the parent company	2,942	2,362
Minority shareholders	753	608

€ thousand	2015	2014
Revenues	8,049	7,116
Expenditure	– 4,381	– 4,171
Shortfall for the year (previous year: profit for the year)	3,668	2,945
Net profit for the year attributable to shareholders of the parent company	2,934	2,355
Net profit for the year attributable to minority shareholders	734	590
Total net profit for the year	3,668	2,945
Other net income attributable to the shareholders of the parent company	88	– 65
Ohter net income attributable to minority shareholders	22	– 13
Total other net income	110	– 78
Comprehensive income attributable to the shareholders of the parent company	3,022	2,290
Comprehensive income attributable to minority shareholders	756	577
Comprehensive income	3,778	2,867

€ thousand	Dec. 31, 2015	Dec. 31, 2014
Dividends paid to minority shareholders	682	393

The share of non-controlling interests in Eckert & Ziegler f-con Deutschland GmbH and its subsidiaries is limited to € 210 due to a contract provision.

19 | EARNINGS PER SHARE

Earnings per share were calculated as follows:

	At year-end	
€ thousand	2015	2014
Numerator for calculation of the profit and the diluted earnings per share- earnings share of the shareholders of Eckert & Ziegler AG	10,718	6,775
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)	2.03	1.28
Diluted earnings per share (in EUR)	2.03	1.28

NOTES TO THE CONSOLIDATED BALANCE SHEET

20 | 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.

Goodwill developed as follows in fiscal years 2015 and 2014:

€ thousand	2015	2014
As of January 1	38,321	34,906
Additions	0	1,538
Currency translation differences	1,708	1,877
As of December 31	40,029	38,321

The increase in goodwill of € 1,708 thousand is due exclusively to currency translation differences (2014: € 1,877 thousand) since a large proportion of the goodwill applies to the companies in the Isotope Products and Radiation Therapy segments with accounting in US dollars.

In the previous year, the further increase was due to the recognition of goodwill in the Isotope Products segment related to the acquisition of Eckert & Ziegler Brazil Comercial Ltda. in fiscal year 2014 and the purchase price allocation completed in fiscal year 2014 for acquisitions in the Radiation Therapy segment during 2013.

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

€ thousand	Goodwill 2015	Goodwill 2014
Radiation Therapy	17,628	17,246
Isotope Products (without VSU)	19,446	18,277
Isotope Products (VSU)	9	8
Radiopharma (cyclotron division)	454	454
Radiopharma (equipment division)	2,492	2,336
As of December 31	**40,029**	**38,321**

Capitalized goodwill was tested for impairment in accordance with IAS 36 in fiscal year 2015. 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. For the subsequent period, the cash flows were calculated using a growth rate between – 1% and 1 % (previous year: 0 to 1 %). The discount rate before tax for the Radiation Therapy segment stood at 9.2 % (2014: 8.5 %), 10.9 % for the cyclotron division (2014: 9.9 %), 10.9 % for the equipment division (2014: 9.9 %), and at 9.9 % for the CGUs in the Isotope Products segment (2014: 11.2 %) (see also Note 3).

The outcome of the other impairment tests as of December 31, 2015 was that, based on the recoverable amounts of the respective goodwill positions, there is no need for impairment (2014: 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%	73%	45%	100%	100%	45%
Cumulative FCF over 5 years	100%	81%	61%	100%	100%	61%
Calculated goodwill	100%	80%	61%	77%	63%	42%
Calculated goodwill (EZAG share) in relation to book value	1.09	0.88	0.66	0.84	0.69	0.46
Impairment need	no	yes	yes	yes	yes	yes

b) As of December 31 of fiscal years 2015 and 2014, amortized intangible assets consist of the following:

(1) Acquired intangible assets

	2015 € thousand	Remaining amortization period	2014 € thousand
Costumer relationships	3,781	1–15 years	4,790
Licenses/software/permits	3,680	1–8 years	4,093
Patents/technology	1,625	1–15 years	2,933
As of December 31	**9,086**		**11,816**

(2) Company-produced intangible assets

	2015 € thousand	Remaining amortization period	2014 € thousand
Capitalized development costs (ongoing projects)	8		3,645
Technology	3,987	4–6 Jahre	230
Patents	8	19–20 Jahre	11
Approvals	1,001	13–15 Jahre	890
Other	0	–	702
As of December 31	**5,004**		**5,478**

Development costs totaling € 248 thousand were capitalized in fiscal year 2015 (2014: € 1,343 thousand). 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.

Intangible assets were amortized using the straight-line method. They are allocated to selling costs, distribution costs, general administrative costs and other operating expenses on the income statement according to the functional area of the respective intangible assets (also see the explanations under note 13).

The development of intangible assets from January 1 to December 31, 2015 is shown in the assets analysis included as an attachment to the consolidated notes.

21 | PROPERTY, PLANT AND EQUIPMENT

The development of property, plant, and equipment from January 1 to December 31, 2015 is shown in the assets analysis included as an attachment to the consolidated notes.

Additions in fiscal year 2015 are mainly for ongoing replacement investments, as well as the expansion and modernization of existing production facilities (2014: additional construction of a new production facility).

The Group had concluded a long-term leasing contract for the administrative and production building constructed on land owned by a third party in Berlin. This contract originally expired on December 31, 2014. Since the Group exercised its contractual renewal option before the deadline, the contract now expires on December 31, 2024.

22 | INVESTMENTS IN INTERESTS MEASURED AT-EQUITY

Eckert & Ziegler Radiopharma GmbH acquired shares in OctreoPharm Sciences GmbH in June of 2013. Under the loan and stock option agreement concluded with Eckert Wagniskapital- und Frühphasenfinanzierung GmbH in September of 2012, the Group also had an option to acquire additional shares in OctreoPharm Sciences GmbH. According to IAS 28.13 the Group had “present access” to those shares even at that time. When these shares are included and with the shares already held directly through Eckert & Ziegler Radiopharma GmbH, the Group held a total of 25 % of the shares in OctreoPharm Sciences GmbH and therefore had significant influence on OctreoPharm Sciences GmbH. Accordingly, the shares were recognized in the consolidated financial statements according to the equity method until they were sold (effective on June 30, 2015). The acquisition cost of the shares was € 3,622 thousand. The Group’s share of the loss of OctreoPharm Sciences GmbH in fiscal year 2015 was € 408 thousand (2014: € 609 thousand). On December 31, 2014 the share measured at equity was € 2,830 thousand (also see the explanations under note 14). The shares in OPS were sold on June 30, 2015 so that no shares in OPS are measured at equity as of December 31, 2015.

The tables that follow provide an overview of the summarized financial information regarding the investment in OctreoPharm Sciences GmbH measured at equity as of December 31, 2014. This summarized financial information corresponds to the amounts in the financial statements of the joint venture prepared in accordance with IFRS (adjusted accordingly for the purpose of recognition by the Group according to the equity method):

€ thousand	Dec 31, 2014
Current assets	1,619
Non-current assets	5,116
Current liabilities	– 265
Non-current liabilities	– 2,141

The assets and liabilities listed above include the following amounts:

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

€ thousand	2014
Revenues	0
Net profit for the year from continued operations	– 2,465
Income after tax of discontinued operations	0
Shortfall for the year	– 2,465
Other net income	0
Comprehensive income	**– 2,465**
Dividends received from the joint venture	0

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

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

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
Net assets of OctreoPharm Sciences GmbH	4,329
Group shareholding	25%
Goodwill	1,732
Adjustment for effects from upstream transactions	14
Book value of the Group interest in OctreoPharm Sciences GmbH	2,830

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. Since the company has significant influence on the joint venture according to IAS 28, the shares are recognized in these consolidated financial statements using the equity method. The acquisition cost of the shares was € 2,493 thousand. The Group's share of the results of Americium Consortium LLC in fiscal year 2015 was € 0 thousand (2014: € 0 thousand). On December 31, 2015 the share measured at equity was € 2,780 thousand (2014: € 2,493 thousand) (also see the explanations under note 14).

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 company's financial statements prepared according to IFRS (adjusted for accounting according to the Group's equity method):

€ thousand	Dec 31, 2015	Dec 31, 2014
Current assets	1	1
Non-current assets	5,561	4,985
Current liabilities	0	0
Non-current liabilities	0	0

The assets and liabilities listed above include the following amounts:

€ thousand	Dec 31, 2015	Dec 31, 2014
Cash and cash equivalents	1	1
Current financial liabilities (not including trade payables, other liabilities and provisions)	0	0
Non-current financial liabilities (not including trade payables, other liabilities and provisions)	0	0

€ thousand	2015	2014
Revenues	0	0
Net profit for the year from continued operations	0	– 1
Income after tax of discontinued operations	0	0
Net profit for the year	0	– 1
Other net income	0	0
Comprehensive income	0	– 1
Dividends received from the joint venture	0	0

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

€ thousand	2015	2014
Scheduled depreciation	0	0
Interest income	0	0
Interest expense	0	0
Income tax expense or income	0	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, 2015	Dec 31, 2014
Net assets of the joint venture	5,562	4,986
Group shareholding	50 %	50 %
Book value of the Group interest in the joint venture	**2,780**	**2,493**

NON-CURRENT TRADE RECEIVABLES

Non-current trade receivables were € 368 thousand on December 31, 2014. As of December 31, 2015 all trade receivables are due in the short term.

23 | OTHER NON-CURRENT ASSETS

Other non-current assets of € 5,711 thousand include a receivable from OOO BEBIG, a wholly owned subsidiary of the joint venture ZAO "NanoBrachyTech", in the amount of € 703 thousand (2014: € 1,037 thousand). This receivable results from the conversion of trade receivables into two long-term loans from Eckert & Ziegler BEBIG S. A. to OOO BEBIG. One loan was already redeemed in full in the previous year. The second loan had a remaining balance of € 1,274 thousand as of December 31, 2015 (2014: € 1,608 thousand) (nominal value € 1,714 thousand, agreed interest rate 2.5 %; repayable by December 31, 2017). The partial loan amount of € 571 thousand due in the coming year is reported under other current assets on the balance sheet.

In October 2013, Eckert & Ziegler AG granted Eckert Wagniskapital und Fruhphasenfinanzierung 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.

This item also includes the asset value of various reinsurance policies at € 83 thousand (2014: € 20 thousand), as well as deposits paid in the amount of € 81 thousand (2014: € 72 thousand).

In the previous year, other non-current assets also included the value of an option to acquire shares in OctreoPharm Sciences GmbH. The option was measured at € 646 thousand when it was obtained (in June of 2013). Prior to selling the shares in OctreoPharm Sciences GmbH, the option was exercised and converted into shares in OctreoPharm Sciences GmbH.

In addition to the purchase price received in cash, selling the shares in OctreoPharm Sciences GmbH resulted in additional non-current receivables. These consist on the one hand of an agreed security deposit and, on the other hand, additional receivables for which the amount and timing depend on reaching certain future milestones. These receivables are included in other non-current assets at € 4,281 thousand (2014: € 0 thousand).

24 | CASH AND CASH EQUIVALENTS

Cash and cash equivalents of € 31,466 thousand (2014: € 21,824 thousand) consist of checks, cash on hand and at bank with maturities of no more than three months from the date of acquisition. Cash and cash equivalents are consistent with the cash fund in the Group cash flow statement.

25 | CURRENT TRADE RECEIVABLES

The current trade receivables are composed as follows as of December 31, 2015 and 2014:

€ thousand	**2015**	2014
Trade receivables	22,445	24,783
Less value adjustments	– 1,054	– 1,382
As of December 31	**21,391**	**23,401**

26 | INVENTORIES

Inventories as of December 31, 2015 and 2014 consist of the following:

€ thousand	2015	2014
Raw materials, consumables, and supplies	18,725	18,107
Finished products	5,234	5,147
Unfinished products and work in progress	1,750	1,698
	25,709	**24,952**
Less impairments	– 660	– 630
As of December 31	**25,049**	**24,322**

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

The impairments recognized based on comparing the net realizable value to the carrying amount increased by € 30 thousand (2014: € 117 thousand).

27 | OTHER CURRENT ASSETS

Other current assets of € 9,605 thousand (2014: € 3,849 thousand) on December 31, 2015 consist of receivables from selling the shares in OctreoPharm Sciences GmbH at € 2,887 thousand and receivables from the sale of technologies and production facilities at € 2,061 thousand. This item also includes expense accruals, down payments made and other receivables in the amount of € 3,509 thousand (2014: € 2,132 thousand).

28 | CAPITAL AND RESERVES

The development of equity allocated to the shareholders of Eckert & Ziegler AG and the non-controlling interests is shown in the consolidated statement of changes in equity.

In accordance with the resolution of the Annual General Meeting on June 3, 2015, the balance sheet profit under commercial law of Eckert & Ziegler AG as of December 31, 2014 in the amount of € 4,433 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 (€ 1,260 thousand).

The subscribed capital of Eckert & Ziegler AG as of December 31, 2015, 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, 2015.

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 2015 balance sheet profit of Eckert & Ziegler AG.

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 2015, the following circumstances needed to be disclosed in accordance with the WpHG.

Allianz Global Investors GmbH, Frankfurt, Germany notified us on January 19, 2015 pursuant to Section 21 (1) of the WpHG that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany fell below the threshold of 3 % of the voting rights on January 16, 2015 and amounted to 2.98 % on that day (this corresponds to 157,600 voting rights). Of these, 0.14 % (7,600 voting rights) is attributable pursuant to Section 22 (1) Sentence 1 No. 6 of the WpHG.

Taalerithedas 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, Germany fell below the threshold of 3 % of the voting rights on November 30, 2015 and amounted to 2.51 % on that day (this corresponds to 133,000 voting rights).

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) is attributable 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, whose share of voting rights in Eckert & Ziegler AG is 3 % or more respectively: Taalerithedas ArvoRein Equity Fund, Helsinki, Finland.

Taalerithedas 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, Germany fell below the threshold of 5 % of the voting rights on December 4, 2014 and amounted to 4.84 % on that day (this corresponds to 256,120 voting rights).

Of these, 4.84 % (256,120 voting rights) is attributable 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, whose share of voting rights in Eckert & Ziegler AG is 3 % or more respectively: Taalerithedas 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) is attributable pursuant to Section 22 (1) Sentence 1 No. 6 of the WpHG.

Voting rights are attributed to it from the following shareholder, whose share of voting rights in Eckert & Ziegler AG is 3 % or more respectively: Taalerithedas ArvoRein Equity Fund, Helsinki, Finland.

Taalerithedas 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, Germany fell below the threshold of 5 % of the voting rights on December 4, 2014 and amounted to 4.84 % on that day (this corresponds to 256,120 voting rights).

Allianz Global Investors Europe GmbH, Frankfurt, Germany notified us on April 4, 2014 pursuant to Section 21 (1) of the WpHG that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany exceeded the threshold of 3 % of the voting rights on April 2, 2014 and amounted to 3.28 % on that day (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.

Taalerithedas 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, Germany exceeded the threshold of 5 % of the voting rights on January 13, 2014 and amounted to 5.02 % on that day (this corresponds to 266,000 voting rights).

Of these, 5.02 % (266,000 voting rights) is attributable 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, whose share of voting rights in Eckert & Ziegler AG is 3 % or more respectively: Taalerithedas ArvoRein Equity Fund, Helsinki, Finland.

Taalerithedas 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, Germany exceeded the threshold of 5 % of the voting rights on January 13, 2014 and amounted to 5.02 % on that day (this corresponds to 266,000 voting rights).

Of these, 5.02 % (266,000 voting rights) is attributable 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, whose share of voting rights in Eckert & Ziegler AG is 3 % or more respectively: Taalerithedas 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) is attributable pursuant to Section 22 (1) Sentence 1 No. 6 of the WpHG.

Voting rights are attributed to it from the following shareholder, whose share of voting rights in Eckert & Ziegler AG is 3 % or more respectively: Taalerithedas ArvoRein Equity Fund, Helsinki, Finland.

Taalerithedas 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, Germany exceeded the threshold of 5 % of the voting rights on January 13, 2014 and amounted to 5.02 % on that day (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.

Currency translation differences of € 3,530 thousand (2014: € 339 thousand) resulting from converting the financial statements of the foreign subsidiaries are disclosed in the other reserves. The movements in 2015 and 2014 mainly related to the US subsidiaries. Furthermore, the other reserves include actuarial gains/losses (after taxes) on defined benefit plans recorded in other comprehensive income in the amount of € – 2,282 thousand (2014: € 2,665 thousand).

Own shares

With the resolution of the General Meeting on May 20, 2010 the Executive Board was authorized to acquire own shares of up to 10 % of the capital stock for purposes other than securities trading until November 19, 2015. This authorization was renewed early for an additional period of five years. Therefore, the Executive Board, with the resolution of the General Meeting on June 3, 2015, is authorized to acquire own shares until June 2, 2020 of up to 10 % of the capital stock for purposes other than securities trading. 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 recognized in 2008 by adding an amount of € 566 thousand to the capital reserve for own shares without affecting profit or loss. 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, 2015. This equates to a 0.1 % share of the Company's subscribed capital. The number (5,288,165) of shares issued and outstanding did not change in fiscal years 2015 and 2014.

29 | LOAN LIABILITIES

Loan liabilities on December 31 of fiscal years 2015 and 2014 break down as follows:

€ thousand	2015	2014
Loan liabilities to banks	15,528	18,705
Loan liabilities as of December 31, total	**15,528**	**18,705**
– thereof current	10,551	11,426
– thereof non-current	4,977	7,279

Covenants agreed with the bank for a loan in the Radiation Therapy segment were not met in fiscal years 2015 and 2014. 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.	2015	2014
Loan from Commerzbank AG	3.99 %	5,105	6,500
Loan from DZ Bank	3.10 %	4,353	5,373
Loan from Deutschen Bank AG	3.17 %	1,161	1,355
Loan from Commerzbank AG	4.80 %	1,148	1,441
Loan from Comerica Bank (USA)	Prime + 1 %	528	721
Loan from Credit Agricole	5.00 %	42	205
Other loans	4.5 % to 5.1 %	60	110
Current money market loans	2.50 %	2,650	1,650
Utilized credit lines		480	0
Loan from Deutschen Industrie Bank AG (IKB) (ERP-innovation program)	4.75 % to 4.85 %	0	937
Loan from Deutschen Bank AG	3M EURIBOR + 2.4 %	0	413
Loan liabilities as of December 31, total		**15,528**	**18,705**

Loan liabilities decreased significantly again in fiscal year 2015 compared to the previous year. The decline is largely the result of scheduled repayment. Only short-term money market loans for liquidity optimization were taken out in fiscal year 2015 and in the previous year.

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 is being repaid in quarterly installments of € 465 thousand since 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 November 2013, Eckert & Ziegler EURO-PET Koln/Bonn GmbH took out a loan of € 1,500 thousand to finance the modernization of its production sites. The loan has a term until Dezember 31, 2021 and is being repaid in quarterly installments of € 48 thousand plus interest since the second quarter of 2014.

A loan of USD 2,500 thousand was taken out from Commerzbank AG in June of 2011. The loan has a term until June 30, 2018 and is repayable in quarterly installments of USD 125 thousand beginning on September 30, 2013.

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.

The Group has approved lines of credit totaling € 17,660 thousand, of which € 4,074 thousand was utilized as of December 31, 2015.

As of December 31, 2015 and 2014, the residual terms of loan liabilities consisted of the following:

€ thousand	2015	2014
Residual term up to 1 year	7,306	6,321
Residual term > 1 to 5 years	8,029	11,997
Residual term more than 5 years	193	387
Loan liabilities as of December 31, total	**15,528**	**18,705**

30 | DEFERRED INCOME FROM GRANTS AND OTHER DEFERRED INCOME

Deferred income from grants, respectively as of December 31, breaks down as follows:

€ thousand	2015	2014
Deferred short-term grants	256	117
Deferred long-term grants	1,588	680
As of December 31	**1,844**	**797**

31 | PROVISIONS FOR PENSIONS

Pension obligations were determined in accordance with IAS 19 (revised) using the projected unit credit (PUC) method, taking into account the present value of the defined benefit obligations on the valuation date including expected future pension and salary increases. The actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out as of December 31, 2015 by Longial AG and Allianz Lebensversicherung AG, respectively (as in the prior year).

The most important assumptions underlying the actuarial valuation are:

%	Dec 31, 2015	Dec 31, 2014
Discounting rate(s)	2.1 to 2.5	2.0 to 2.1
Expected income from plan assets	2.75	2.75
Expected percentual salary increases	to 2,50	2.50
Expected percentual pension increases	to 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	2015	2014
Cash values of the defined benefit plans	10,665	11,263
Plan assets at fair value	– 171	– 169
Pension provisions as of December 31	**10,494**	**11,094**

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

€ thousand	2015	2014
Pension provisions as of January 1	11,094	7,963
Expenditure for pension obligations	454	457
Actuarial gains (–) and losses (+)	– 559	2,675
Disbursements from plan assets	0	197
Income from plan assets	– 3	– 13
Pension payments	– 492	– 185
Pension provisions as of December 31	**10,494**	**11,094**

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

€ thousand	2015	2014
Service period cost	229	161
Interest paid	225	296
Expected income from plan assets	– 3	– 13
Total recognized amounts	**451**	**444**

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

€ thousand	2015	2014
Cumulative actuarial gains (–)/losses (+) on January 1	3,916	1,241
Addition/disposal	– 559	2,675
Cumulative actuarial gains (–)/losses (+) on December 31	**3,357**	**3,916**

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	2015	2014
Opening balance of plan assets recognized at fair value	169	353
Expected income from plan assets	3	13
Actuarial gains	– 1	0
Disbursement from plan assets	0	– 197
Closing balance of plan assets recognized at fair value	**171**	**169**

Pension payments in the amount of € 277 thousand are expected for fiscal year 2016.

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

€ thousand	2015	2014	2013	2012	2011
Defined benefit obligation	– 10,665	– 11,263	– 8,316	– 9,207	– 7,149
Plan assets	171	169	353	344	333
Funded status	**– 10,494**	**– 11,094**	**– 7,963**	**– 8,863**	**– 6,816**

One significant actuarial assumption for the determination of pension provisions is the discount rate. The sensitivity analysis shown below was carried out based on possible changes in the discount rate on the balance sheet date according to reasonable judgment while keeping the remaining assumptions unchanged.

	Defined benefit obligation	
	€ thousand	%
Current assumption	10,665	
Discount rate – 0.25 %	11,157	4,6
Discount rate + 0.25 %	10,204	– 4.3

Pension plans designed as employee-financed defined contribution plans (deferred compensation) also exist for two current Executive Board members. In fiscal year 2015 the deferred compensation amount was € 20 thousand (2014: € 120 thousand). The pension commitments are secured through a congruent reinsured benevolent fund.

32 | OTHER PROVISIONS

The following table provides an overview of the changes in other provisions during fiscal years 2015 and 2014.

€ thousand	2015	2014
Provisions for restoration obligations (non-current)	15,721	14,233
Other provisions (non-current)	12,041	9,404
Other provisions as of December 31	27,762	23,637
Other provisions (current)	3,662	3,600
Other current provisions as of December 31	**3,662**	**3,600**

Provisions for removal obligations include expected expenses for the removal and disposal of production facilities and tenant improvements. They developed as follows in fiscal years 2015 and 2014:

€ thousand	2015	2014
Provisions as of January 1	14,233	13,230
Additions	1,165	485
Compounding	171	295
Recourse	– 80	– 54
Currency translation	232	277
Provisions as of December 31	**15,721**	**14,233**

An adjustment of the discount rates for the measurement of provisions for removal obligations was made according to IFRIC 1 in fiscal year 2015, corresponding to the respective terms, in order to account for capital market developments. These adjusted interest rates lie between 0.0 % and 3.0 %. Maintaining the prior-year interest rates of 0.2 % to 3.1 % would have reduced the provisions by € 847 thousand (2014: € 545 thousand). The cash payments for the restoration are expected in fiscal years 2016 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 € 81 thousand (2014: € 72 thousand).

Other non-current provisions as of December 31, 2015 mainly consist of provisions for the obligation to process own and accepted third-party residual materials at € 11,122 thousand (2014: € 8,773 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.

Other current provisions of € 3,662 thousand (2014: € 3,660 thousand) are for the current portion of the disposal of radioactive residual materials.

33 | OTHER NON-CURRENT LIABILITIES

Other non-current liabilities mainly consist of non-current liabilities to a minority shareholder from the acquisition of shares at € 1,195 thousand (2014: € 1,338 thousand), as well as non-current liabilities under a license agreement concluded in fiscal year 2013 at € 1,957 thousand (2014: € 2,057 thousand).

This item also includes two interest swaps at € 646 thousand (2014: € 864 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 36.

34 | OTHER CURRENT LIABILITIES

Other current liabilities, respectively on December 31, break down as follows:

€ thousand	2015	2014
Liabilities from wages and salaries	5,240	4,486
Liabilities from social security obligations	991	415
Liabilities to tax authorities	634	792
Liabilities from other deferrals	4,754	6,258
Liabilities to minority shareholders	670	484
Other liabilities	2,463	1,759
As of December 31	**14,752**	**14,194**

On December 31, 2015 the other liabilities include an earn-out liability from a company acquisition at € 867 thousand (2014: € 778 thousand).

35 | ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

This section provides an overview of the importance of financial instruments for Eckert & Ziegler AG and provides additional information about balance sheet items that include financial instruments.

Overview of financial assets and liabilities

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

€ thousand	2015	2014
Financial assets		
Cash and cash equivalents	31,466	21,824
Financial assets available for sale	21,391	23,769
Other current assets	10,819	7,426
Other long-term assets	5,711	2,501
As of December 31	**69,387**	**55,520**
Financial liabilities		
Financial liabilities at amortized cost	73,313	73,105
Derivative financial instruments	646	864
As of December 31	**73,959**	**73,969**

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		2015	2014
Trade receivables	current	21,391	23,401
Trade receivables due from related parties and companies	non-current	0	368
Other liabilities	current	10,819	7,426
Other liabilities	non-current	5,711	2,501
As of December 31		**37,921**	**33,696**

Financial liabilities at amortized cost consist of the following:

FINANCIAL LIABILITIES AT AMORTIZED COST

€ thousand		2015	2014
Loan liabilities	current	10,551	11,426
Loan liabilities	non-current	4,977	7,279
Trade payables	current	7,533	8,220
Liabilities to employees	current	3,610	3,866
Advance payments received	current	256	117
Other liabilities	current	14,804	13,928
Other liabilities	non-current	31,582	28,269
Stand zum 31.12.		**73,313**	**73,105**

The composition of the loan liabilities is explained in note 30.

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 amortised cost:

	2015		2014	
€ thousand	Fair value	Book value	Fair value	Book value
Financial assets measured at cost or amortized cost				
Cash and cash equivalents	31,466	31,466	21,824	21,824
Trade receivables and other receivables	21,472	21,472	24,209	24,209
As of December 31	**52,938**	**52,938**	**46,033**	**46,033**
Financial liabilities measured at cost or amortized cost				
Trade payables	7,533	7,533	8,220	8,220
Liabilities to banks and other financial debts	15,558	15,528	18,421	18,705
Other non-derivative financial liabilities	22,182	22,182	19,604	19,604
As of December 31	**45,273**	**45,243**	**46,245**	**46,529**

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.

Non-current receivables and liabilities are recognized at their discounted value insofar as they are not interest-bearing.

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	2015	2014
Receivables	– 204	– 109
Measured at fair value through profit and loss	216	– 49

The category "measured at fair value through profit or loss" relates to interest 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	– 646	– 646
As of December 31, 2015	**0**	**0**	**– 646**	**– 646**

€ thousand	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Financial assets available for sale	0	0	– 864	– 864
As of December 31, 2014	0	0	– 864	– 864

Level 1: The market value was determined based on listed, unadjusted prices for these assets and liabilities in an active market.

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

Level 3: The market value for these assets and liabilities was determined based on parameters for which observable market data are not available.

Risk analysis

The Group is exposed to financial credit, default, liquidity and market risks in the course of business operations. 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.

The Group is mainly exposed to credit and default risk based on 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. Credit and default risk is monitored within the scope of Group-wide risk management by means of the regular analysis of overdue trade receivables.

Risk exposure

The maximum default risk corresponds to the carrying amount of the financial assets on the balance sheet date in the amount of € 23,769 thousand (2014: € 23,769 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	2015	2014
Europe	9,908	13,567
North America	7,393	5,670
Other	4,090	4,164
As of December 31	**21,391**	**23,401**

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

€ thousand	2015	2014
1 to 90 days	6,611	9,106
Over 90 days	2,386	3,650
	8,997	**12,756**

The overdue but unimpaired receivables relate primarily to receivables due from doctors' practices and foreign clinics. Payments are expected to be received in the above amount based on past experience.

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	2015	2014
As of January 1	1,382	1,273
Net transfers	204	191
Recourse	– 544	– 88
Exchange rate effects	12	6
As of December 31	**1,054**	**1,382**

Liquidity risk

Liquidity risk is the risk of the Group not being able to meet its financial obligations as they come due. 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, 2015, Eckert & Ziegler AG and its subsidiaries also had available lines of credit in the amount of € 17,660 thousand (2014: € 8,000 thousand) if needed. 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 believes this is because of the Group's solid financing with a high equity ratio and the favorable prospects of the profitable, operating units. In addition to the high equity ratio, good balance sheet ratios speak in favor of the Group's creditworthiness since the non-current assets are more than covered by the 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.

An existing loan agreement includes an obligation for meeting various covenants. Due to the repeated poor results of the Radiation Therapy segment, these covenants, which refer exclusively to the performance figures of that corporate group, were not met under a loan agreement as of December 31, 2015. The bank was informed in advance that the covenants would not be met and management is in dialog with the bank. Accordingly, the loan agreement in question is included on the consolidated balance sheet under 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, 2015**

€ thousand		Book value	Cash outflow Total	Up to 1 year	1 to 5 years	Over 5 years
Loan liabilities	fixed-interest	15,000	15,510	10,218	5,099	193
Loan liabilities	variable interest	528	551	293	258	0
Trade payables	non-interest bearing	7,533	7,533	7,533	0	0
Liabilities to employees	non-interest bearing	3,610	3,610	3,610	0	0
Other liabilities	non-interest bearing	42,724	42,724	42,724	0	0
Derivative financial liabilities		646	646	230	416	0
As of December 31		**70,041**	**70,574**	**64,608**	**5,773**	**193**

ANALYSIS OF THE CONTRACTUALLY AGREED DUE DATES — December 31, 2013

€ 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**

Cash outflows for liabilities bearing interest at variable rates are based on an interest rate of 2.7 % in 2015 (2014: 2.7 %).

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.

Export transactions in the Polish zloty are hedged with foreign currency options and forward contracts as needed. There were no open positions under currency swaps and options on the balance sheet date.

The devaluation of the Brazilian real also had a negative impact in fiscal year 2015, not because of holding cash and cash equivalents, receivables or liabilities but mainly due to the revaluation of a USD loan liability to a US subsidiary by the Brazilian company with accounting in BRL. Even though inter-company loan relationships are eliminated in the course of consolidation, the currency effect itself had a negative impact on the consolidated income statement.

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, 2015				December 31, 2014			
	USD	GBP	PLN	CZK	USD	GBP	PLN	CZK
Currency	12,582	815	87	291	8,775	222	141	151
Trade receivables	10,225	1,005	112	1	7,061	585	513	174
Trade payables	– 2,411	– 71	– 305	– 12	– 3,005	– 77	– 123	– 39
Balance sheet exposure	20,396	1,749	– 106	280	**12,831**	**730**	**531**	**286**

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 would have led to the increases (decreases) in the overall result listed below on the reporting date, keeping all other assumptions the same:

Effect in € thousand	December 31, 2015				December 31, 2014			
	USD	GBP	PLN	CZK	USD	GBP	PLN	CZK
Aggregate result	– 2,040	– 175	11	– 28	– 1,283	– 73	– 53	– 29

A decrease in the Euro by 10 % compared to the currencies listed above would have led to the same but opposite effect on the currencies listed above 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's interest rate risk exposure due to fluctuations in market interest rates is low for financial assets and liabilities with medium to long-term maturities since the assets and liabilities only bear variable interest to a minor extent.

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

In order to limit interest risk when procuring short-term funding, the Group arranged in October 2005 an interest swap with a maturity of 12 years. A reference amount of € 2,000 thousand was hedged at a fixed interest rate of 3.53 %. Eckert & Ziegler AG pays a fixed amount of € 17,650 quarterly until October of 2017. In return, the bank pays variable quarterly amounts (respectively the 3-month EURIBOR) until the end of the contract term.

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

The fair value of these swaps on December 31, 2015 is € – 646 thousand (2014: € – 864 thousand) and is reported on the balance sheet under other non-current liabilities. 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

The Group has the following interest-bearing financial assets and liabilities as of the balance sheet date:

€ thousand	**2015**	2014
Interest-bearing financial assets	451	2.055
– thereof variable-interest	83	79
– thereof fixed-interest	368	1.976
Interest-bearing financial liabilities	15.528	18.705
– thereof variable-interest	528	1.133
– thereof fixed-interest	15.000	17.572

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 by 100 basis points on the financial statement date – keeping all other assumptions the same – would have led to the increases (decreases) in the result for the period as listed below:

	2015		2014	
Effect in € thousand	+ 100 base points	– 100 base points	+ 100 base points	– 100 base points
Interest results for variable-interest financial instruments	120	– 160	190	– 228

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 years 2015 and 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. Ensuring the Group's liquidity and creditworthiness, including guaranteed access to the capital market at all times, and effectively increasing the company value are the main objectives of financial management.

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 2014.

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Cash and cash equivalents reported in the consolidated cash flow statement include cash and cash equivalents reported on the balance sheet, comprised of cash on hand, checks, cash at bank and all highly liquid assets with a remaining term of no more than three months from the date of acquisition.

The consolidated cash flow statement describes the changes in cash and cash equivalents of the Eckert & Ziegler Group in the course of the fiscal year due to incoming and outgoing cash flows. 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 examined for the development of the consolidated cash flow statement are adjusted for the non-cash effects of currency translation and changes to the basis of consolidation. Furthermore, investing and financing transactions that have not impacted liquid funds are not included in the cash flow statement. Because of the adjustments mentioned above, the changes in the respective balance sheet items reported on the consolidated cash flow statement cannot be compared directly to the corresponding values on the published consolidated balance sheet.

36 | 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.

37 | INVESTING ACTIVITIES

Cash flows from investing activities are derived from actual transactions. They include cash flows related to the acquisition, production and sale of intangible assets and property, plant, and equipment not included in cash and cash equivalents.

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 was BRL 3,678 thousand (€ 1,178 thousand), of which a payment of BRL 2,452 thousand (€ 785 thousand) due in fiscal year 2014 was paid in cash. Cash of BRL 17 thousand (€ 5 thousand) was obtained in the course of the company acquisition (also see the explanations under note 40). The remaining purchase price installments in the amount of BRL 2,074 thousand (€ 560 thousand) were paid in fiscal year 2015. An additional variable purchase price component of € 14 thousand was also paid in relation to the acquisition of Chemotrade GmbH.

38 | 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

39 | COMPANY ACQUISITIONS AND DISPOSALS

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

On March 19, 2014, Eckert & Ziegler Brasil Participacoes Ltda. concluded a contract to acquire all shares in TOF Comercial Ltda., São Paulo, Brazil from the Brazilian company REM Industry and Commerce Ltda. The purchase price for the acquired shares in the company was USD 1,643 thousand (BRL 3,678 thousand). The purchase price was payable in three installments, with the first installment of USD 1,099 thousand (BRL 2,452) 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 two remaining installments for the total purchase price at USD 454 thousand (BRL 1,022 thousand) and USD 90 thousand (BRL 204 thousand) only became due when conditions established in the purchase contract were met. These conditions were met in fiscal year 2015. Accordingly, the outstanding purchase price installments, including an additional conditional purchase price component for a total of USD 622 thousand (BRL 2,074 thousand), were paid in April of 2015. Costs of € 146 thousand incurred in the course of the acquisition were recognized under general and administrative expenses in fiscal year 2014.

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		497
Receivables	1,465		1,465
Cash in hand and at bank	17		17
Liabilities	– 1,519		– 1,519
Deferred taxes		– 827	– 827
Net assets	**466**	**1,605**	**2,071**
Purchase price	– 3,678		– 3,678
Goodwill			**– 1,607**

Cash and cash equivalents of BRL 17 thousand were obtained with the acquisition of Eckert & Ziegler Brazil Comercial Ltda. so that the net outflow of capital for the company acquisition was BRL – 2,435 thousand. Sales revenues of € 967 thousand and a loss of € 351 thousand were included in the 2014 consolidated financial statements since the date of first-time consolidation.

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.

40 | 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, 2015. The employee stock option plan has been terminated, so that no further stock options are being issued.

41 | LEASING ARRANGEMENTS

Financial obligations as lessee

All of the Group's lease contracts for equipment, vehicles, land and buildings are operating leases and therefore do not have to be capitalized. Rental and leasing costs for operating leases in the 2015 and 2014 fiscal years ending on December 31 totaled € 2,210 thousand and 2,739 thousand respectively.

As of December 31, 2015, 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)	
2016	2,188
2017	2,072
2018	1,966
2019	720
2020	711
thereafter	4,595
Minimum rent or lease payments, total	**12,252**

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

42 | OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES AND RECEIVABLES

Pursuant to the contract with the landlord of a production building, the landlord shall cover the costs of building removal (decontamination) up to a contractually agreed amount when production ends. The remaining amount shall be borne by the tenant. The operator of the facility generally bears the decontamination obligation in accordance with legal regulations. At this time, the company assumes that the landlord will meet its contractual obligation. Should the previous operator/landlord fail to meet its contractual obligation, the company would be responsible for decontamination, which would have a significant impact on the company's profitability and financial position, at least temporarily.

43 | SEGMENTAL REPORT

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 found in various measuring equipment for industrial facilities and other measuring devices, for example safety equipment at airports and in crude oil exploration. They are sold to the manufacturers or operators of systems. Medical radiation sources include radioactive sources for the calibration of what are known as 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 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 includes the environmental services that deal with the return, processing and conditioning of residual isotope technology materials. This segment also includes the items of the holding company Eckert & Ziegler Strahlen- und Medizintechnik AG.

SEGMENTAL REPORT

€ thousand	Isotope Products 2015	Isotope Products 2014	Radiation Therapy 2015	Radiation Therapy 2014	Radiopharma 2015	Radiopharma 2014	Others 2015	Others 2014	Elimination 2015	Elimination 2014	Total 2015	Total 2014
Sales to external customers	66,894	59,496	30,915	28,829	34,244	32,296	7,993	6,635	0	0	140,046	127,256
Sales to other segments	2,617	1,955	188	169	5	54	7,078	5,635	– 9,888	– 7,813	0	0
Total segment sales	**69,511**	**61,451**	**31,103**	**28,998**	**34,249**	**32,350**	**15,071**	**12,270**	**– 9,888**	**– 7,813**	140,046	127,256
Results from shares measured at equity					– 408	– 609					– 408	– 609
Segment profit/loss before interest and income taxes (EBIT)	13,462	14,732	– 3,109	– 1,649	8,271	2,549	– 1,778	– 2,632	– 36	– 44	16,810	12,956
Interest income	282	277	68	340	5	1	665	946	– 855	– 1,096	165	468
Interest expense	– 322	– 360	– 679	– 556	– 1,177	– 1,264	– 184	– 588	891	1,140	– 1,471	– 1,628
Income taxes	– 4,107	– 4,427	– 571	– 1,422	– 872	– 684	412	1,234	0	0	– 5,138	– 5,299
Profit/loss before minority interests	9,315	10,222	– 4,291	– 3,287	6,227	602	– 885	– 1,040	0	0	10,366	6,497

SEGMENTAL REPORT

€ thousand	Isotope Products 2015	Isotope Products 2014	Strahlentherapie 2015	Strahlentherapie 2014	Radiopharma 2015	Radiopharma 2014	Sonstige 2015	Sonstige 2014	Gesamt 2015	Gesamt 2014
Segmental assets	96,588	90,362	51,011	55,154	36,183	36,667	103,631	97,061	287,413	279,244
Elimination of intersegmental shares, equity investments and receivables									– 90,737	– 91,915
Consolidated total assets									196,676	187,329
Segmental liabilities	– 48,187	– 47,228	– 24,087	– 23,485	– 28,654	– 35,684	– 17,268	– 13,784	– 118,196	– 120,181
Elimination of intersegmental liabilities									26,188	27,342
Consolidated liabilities									– 92,008	– 92,839
Interest in associates	2,780	2,493				2,830			2,780	5,323
Investments (without acquisitions)	2,174	1,783	294	2,189	981	2,432	451	1,373	3,900	7,777
Depreciation	– 2,912	– 2,547	– 2,873	– 2,093	– 1,971	– 1,586	– 1,008	– 917	– 8,764	– 7,143
Other non-cash income (+)/expenses (–)	985	1,982	406	– 1,662	4,718	– 354	111	– 490	6,220	– 524

INTANGIBLE ASSETS & PROPERTY, FACILITIES, AND EQUIPMENT ACCORDING TO REGIONS

€ thousand	2015	2014
Germany	45,967	48,484
USA	29,746	27,712
Belgium	4,077	5,489
Others	10,304	11,014
Total	**90,094**	**92,699**

EXTERNAL SALES ACCORDING TO GEOGRAPHICAL REGIONS

	2015 € million	2015 %	2014 € million	2014 %
Europe	64.7	46	67.6	53
North America	49.1	35	41.6	33
Asia/Pacific	15.8	11	11.8	9
Others	10.4	8	6.3	5
Total	**140.0**	**100**	**127.3**	**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.

44 | 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 the company and its subsidiaries that are related parties were eliminated in the course of consolidation and are therefore not discussed. Details of transactions between the Group and other related parties are disclosed below. 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 (Chairperson of the Executive Board, 2015 responsible for the Group strategy, finance and capital market communication, was well as the Isotope Products and Other segments), Wandlitz, businessman

On other boards: Chairman of the Board of Directors of Eckert & Ziegler Isotope Products Inc. (IPL), Valencia, CA, USA; Chairman of the Board of Directors of Eckert & Ziegler BEBIG S. A., Seneffe, Belgium

Dr. Edgar Löffler (Executive Board member, 2015 responsible for the Radiation Therapy segment), Berlin, medical physicist

In other governing bodies: Member of the Administrative Board of Eckert & Ziegler Isotope Products Inc. (IPL), Valencia (USA); Managing Director and member of the Administrative Board of Eckert & Ziegler BEBIG S. A., Seneffe (Belgium); member of the Administrative Board of the closed corporation ZAO “NanoBrachyTech”, Moscow (Russia)

Dr. André Heß (member of the Executive Board, 2015 responsible for personnel and the Radiopharma segment), Berlin, graduate chemist and industrial engineer

In other governing bodies: Member of the Administrative Board of Eckert & Ziegler Isotope Products Inc. (IPL), Valencia, USA, member of the Administrative Board of Eckert & Ziegler BEBIG S. A., Seneffe (Belgium), since January 29, 2016: member of the Administrative Board of Curasight ApS (Denmark)

Other members of the management in key positions

Dr. Gunnar Mann (2015 responsible for radiation protection, information technology and infrastructure, and for environmental services in the Other segment)

Axel Schmidt (2015 Managing Director and minority shareholder of Eckert & Ziegler f-con Deutschland GmbH)

Frank Yeager (2015 President of Eckert & Ziegler Isotope Products Inc.)

Joseph Hathcock (2015 Vice President of Eckert & Ziegler Isotope Products Inc.)

Ivan Simmer (2015 Managing Director and minority shareholder of Eckert & Ziegler Cesio s.r.o.)

Dr. Harald Hasselmann (since October of 2015 Managing Director of Eckert & Ziegler BEBIG GmbH)

Supervisory Board
The members of the Group's Supervisory Board in fiscal year 2015 were:

Prof. Dr. Wolfgang Maennig (Chairperson), Berlin, university professor

On other supervisory boards: none

Prof. Dr. Nikolaus Fuchs (Deputy Chairperson), Berlin, Managing Partner of Lexington Consulting GmbH and other companies, businessman

On other supervisory boards: member of the Supervisory Board of Berliner Volksbank eG

Hans-Jörg Hinke, Berlin, Managing Partner of CARISMA Wohnbauten GmbH

On other supervisory boards: none

Dr. Gudrun Erzgräber, Birkenwerder, physicist

On other supervisory boards: none

Prof. Dr. Detlev Ganten, Berlin, Chairperson of the Foundation Council of Charité Berlin, Chairperson of the Board of Trustees of the Max-Planck Institute of Colloids and Interfaces (MPI-KG) and of Molecular Plant Physiology (MPI-MP), Potsdam

On other supervisory boards: member of the Supervisory Board of Glyco Universe GmbH & Co KGaA, Berlin, Germany

Prof. Dr. Helmut Grothe, Wandlitz, lawyer, university professor at the Free University of Berlin

On other supervisory boards: none

b) Other related parties

- Eckert Wagniskapital und Frühphasenfinanzierung GmbH (EWK), which holds 32.2 % of the shares in Eckert & Ziegler AG, and whose sole shareholder, Dr. Andreas Eckert, is the Chairperson of the Executive Board for 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 (OPS, consolidated at equity until June 29, 2015)

In 2015 and 2014, the following transactions were conducted with these related parties; all of them were arm's length transactions:

In September 2012, Eckert & Ziegler AG concluded a loan and share option agreement with Eckert Wagniskapital und Frühphasenfinanzierung GmbH. This resulted in interest income for Eckert & Ziegler AG in the amount of €4 thousand in fiscal year 2015 (2014: €11 thousand). Eckert Wagniskapital und Frühphasenfinanzierung GmbH transferred the contract to its subsidiary Eckert Life Science Accelerator GmbH effective on January 1, 2013.

With the intended sale of all shares in OPS by the existing shareholders, a settlement agreement was concluded between Eckert & Ziegler AG, Eckert Life Science Accelerator GmbH and Eckert & Ziegler Radiopharma GmbH in April of 2015 to establish the mutual claims. In May of 2015, the shareholders of OPS sold all shares to the French pharmaceutical group Ipsen effective on June 30, 2015. The settlement agreement specifies that the loan and stock option contract is being terminated and that Eckert & Ziegler AG consents to the sale of the shares. In return, Eckert & Ziegler AG is to receive the entire net proceeds obtained by Eckert Life Science Accelerator GmbH for the sale of the shares. In order to optimize the cash flows between the contractual partners related to the sale, offsetting contractual incoming and outgoing payments was agreed as well, so that Eckert & Ziegler AG receives the amount intended according to the original contract provisions.

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 bears interest at 3.25 % p.a. In fiscal year 2015, this resulted in interest income for Eckert & Ziegler AG in the amount of € 12 thousand (2014: € 12 thousand).

Eckert Life Science Accelerator GmbH provided services for Eckert & Ziegler AG in the amount of € 4 thousand in fiscal year 2015 (2014: € 7 thousand) related to the participation in OctreoPharm Sciences GmbH. Liabilities to Eckert Life Science Accelerator GmbH totaled € 4 thousand on December 31, 2015 (2014: € 9 thousand).

Eckert & Ziegler AG, Eckert & Ziegler BEBIG GmbH, Eckert & Ziegler Radiopharma GmbH and Ecker & Ziegler EUROTOPE GmbH concluded a long-term rental contract with Eckert Beteiligungen 2 GmbH in October of 2012. Rent and incidental rental expenses of € 973 thousand were incurred in fiscal year 2015 (2014: € 973 thousand).

In fiscal year 2013, Eckert & Ziegler Radiopharma GmbH, in the course of a capital increase, acquired shares and an option for additional shares in OctreoPharm Sciences GmbH in return for cash, receivables and a sub-license agreement contributed to OctreoPharm Sciences GmbH. Group companies provided services and delivered goods to Octreopharm Sciences GmbH in the amount of € 448 thousand in fiscal year 2015 (2014: € 74 thousand).

Companies in the Radiation Therapy segment concluded a consulting agreement with the wife of a member of the management. Consulting services in the amount of € 40 thousand were obtained under this contract in fiscal year 2015 (2014: € 42 thousand). Liabilities under this contract were € 7 thousand as of December 31, 2015 (2014: € 8 thousand).

c) Companies in which the Group is a partner company

Eckert & Ziegler BEBIG S. A. contributed intangible assets to the company ZAO “NanoBrachyTech” in June of 2009 in return for 15 % of the shares in the company initially operated as a joint venture. Due to a lack of information about the company, it was disclosed as an investment entity starting in 2015. Eckert & Ziegler BEBIG supplies weak radioactive implants to OOO BEBIG, a wholly owned subsidiary of ZAO “NanoBrachyTech”. The sales revenues of OOO BEBIG were € 1,038 thousand in fiscal year 2015 (2014: € 1,550 thousand). Eckert & Ziegler BEBIG S. A. also received interest and principal payments of € 37 thousand in fiscal year 2015 on a loan issued for the conversion of receivables (2014: € 292 thousand). As of December 31, 2015, the receivables due from OOO BEBIG amounted to € 1,342 thousand (2014: € 1,920 thousand).

d) Receivables from and liabilities to related parties

The balances of parties related to the Eckert & Ziegler Group regarding receivables, loan receivables, liabilities and loan liabilities on December 31 of the 2015 and 2014 fiscal years are as follows:

€ thousand	2015	2014
Trade receivables due from related parties and companies	4,651	2,230
Trade payables due from related parties and companies	1,011	9

45 | 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

Total remuneration of € 1,336 thousand was granted to the members of the Executive Board in fiscal year 2015 (2014: € 1,132 thousand). This corresponds to an 18 % increase over the previous year. Of this total remuneration, € 775 thousand (2014: € 770 thousand) was attributed to fixed salary components and € 561 thousand (2014: € 362 thousand) to variable salary components.

Remuneration granted and paid to Executive Board members is shown in the table below. Since no member of the Executive Board was granted stock options or pension commitments, the remuneration granted equals the amounts paid.

	Dr. Andreas Eckert				Dr. Edgar Löffler				Dr. André Heß			
	Executive Board Chairman				Member of the Executive Board responsible for the Therapy segment				Member of the Executive Board responsible for the Radiopharma segment			
	Date of appointment		July 3, 1997		Date of appointment		May 7, 2001		Date of appointment		March 1, 2008	
Amounts in € thousand	Prior year	2015	Min	Max	Prior year	2015	Min	Max	Prior year	2015	Min	Max
Fixed remuneration	300	300	300	300	186	186	190	190	180	194	194	194
Additional benefits	31	32	32	32	42	33	30	30	30	30	30	30
Total	**331**	**332**	**332**	**332**	**228**	**219**	**220**	**220**	**210**	**224**	**224**	**224**
One-year variable remuneration	0	0	0	0	0	0	0	0	0	0	0	0
Multi-year variable remuneration	216	270	0	500	32	19	0	250	114	272	0	275
Bonus on Group EBIT (5 years)	216	270	0	500								
Bonus on Group EBIT excluding the Radiation Therapy segment (5 years)					73	96	0	100				
Bonus on EBIT for the the Radiation Therapy segment (5 years)					– 41	– 78*	0	150				
Bonus on Group EBIT excluding the Radiopharma segment (3 years)									52	66	0	100
Bonus on EBIT for the the Radiopharma segment (3 years)									62	207*	0	175
Total	**216**	**270**	**0**	**500**	**32**	**19**	**0**	**250**	**114**	**272**	**0**	**275**
Pension expenses	0	0	0	0	0	0	0	0	0	0	0	0
Total remuneration	**547**	**602**	**332**	**832**	**260**	**238**	**220**	**470**	**324**	**496**	**224**	**499**

* *Variable remuneration may be lower or higher than the disclosed minimum or maximum amounts on a case-by-case basis since the caps are generally considered cumulative over the contract term and the disclosed minimum and maximum amounts represent the annual average.*

The disclosed variable remuneration for 2015 is based on the final financial statement figures and is paid in these amounts in 2016. Bonus provisions included on the balance sheet as of December 31, 2015 may deviate slightly due to the iteration problem.

Provisions of € 462 thousand (2014: € 484 thousand; calculation respectively according to IFRS) have been recognized for pension commitments to a former member of the Executive Board. Pension payments of € 32 thousand were made to this former Executive Board member in fiscal year 2015 (2014: € 32 thousand).

Supervisory Board remuneration

For fiscal year 2015, the members of the Supervisory Board are receiving fixed remuneration of € 75 thousand (2014: € 75 thousand) and attendance fees of € 26 thousand (2014: € 27 thousand). The total expenditure is € 101 thousand (2014: € 102 thousand).

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

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

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.

46 | EVENTS AFTER THE REPORTING DATE

The World Bank conducted an audit of a company in the Radiation Therapy segment in the second half of 2015. In February of 2016, the World Bank asked company management for further information related to a public tendering procedure for an investment project in Bangladesh during 2012 and 2013. Based on the current state of knowledge, the Executive Board believes there were no irregularities on the part of the Group. The Executive Board wants to resolve the questions raised by the World Bank quickly and fully. It has appointed an internal investigative commission for this purpose and assured the World Bank of full support and cooperation in resolving the questions that were raised.

In February of 2016, Eckert & Ziegler Radiopharma GmbH (EZR) acquired 9.2 % of the shares in the Danish company Curasight for DKK 2,254 thousand (€ 302 thousand). EZR will support Curasight with the approval of its breast cancer diagnostic agent uPar under a cooperation program. EZR will make contributions in kind within the scope of future capital increases and thereby increase its shareholding to approximately 25 %.

In mid-March of 2016, the Executive Board decided to give up the Isotope Products (VSU) CGU. The segment acquired in 2012 generated sales of € 299 thousand and a loss (before taxes) of € 1,630 thousand in fiscal year 2015. The Executive Board expects that giving up this business area will not have a material impact on the Group's net assets, financial position and results of operations in fiscal year 2016 and subsequent years.

DISCLOSURES PURSUANT TO SECTION 315a (1) OF THE HGB

47 | OTHER INCOME/EXPENSES

Other income/expense includes income applicable to other periods from the sale of assets in the amount of € 975 thousand (2014: € 18 thousand) and expenses applicable to other periods from losses on the sale of long-term assets in the amount of € 117 thousand (2014: € 22 thousand).

48 | TOTAL AUDIT FEE

The total fee for the services provided by the auditor for the consolidated financial statements was € 262 thousand in the fiscal year (2014: € 223 thousand). Out of this amount, € 259 thousand (2014: € 220 thousand) is for audit services for the annual and consolidated financial statements of Eckert & Ziegler as well as various subsidiaries and € 3 thousand (2014: € 3 thousand) is for other services.

49 | DECLARATION PURSUANTTO 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 18, 2016

Eckert & Ziegler Strahlen- und Medizintechnik AG The Executive Board
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, 2015

	Cost						
€ thousand	**As of Jan. 1, 2015**	Other additions	Disposals	Reclassification in accordance with IFRS 5*	Reclassifications	Currency translation	**As of Dec. 31, 2015**
NON-CURRENT ASSETS							
I. Intangible assets							
1. Goodwill	43,912	0	0	0	0	1,831	45,743
2. Acquired intangible assets	31,645	400	1,287	0	0	1,071	31,829
3. Internally generated intangible assets	9,660	248	25	0	0	2	9,885
4. Prepayments made	4	0	0	0	0	0	4
	85,221	**648**	**1,312**	**0**	**0**	**2,904**	**87,461**
II. Property, plant and equipment							
1. Buildings on third-party land	16,177	481	0	4,132	1,517	940	23,247
2. Technical plant and machinery	50,213	1,769	575	0	823	931	53,161
3. Other plants and equipment fixtures and fittings	12,307	1,093	400	0	– 84	56	12,972
4. Assets under construction	2,795	789	439	0	– 2,256	69	958
	81,492	**4,132**	**1,414**	**4,132**	**0**	**1,996**	**90,338**
	166,713	**4,780**	**2,726**	**4,132**	**0**	**4,900**	**177,799**

* *This relates to the repeated addition of the plot of land in Belgium reported as IFRS 5 in 2014, which is no longer held for sale.*

Depreciation and amortization								Net carrying amount	
As of Jan. 1, 2015	Additions	Impair-ments	Disposals	Reclassification in accordance with IFRS 5*	Reclassifi-cations	Currency translation	As of Dec. 31, 2015	As of Jan. 1, 2015	As of Dec. 31, 2015
5,591	0	0	0	0	0	122	5,714	38,321	40,029
19,830	2,633	61	647	0	0	869	22,745	11,815	9,084
4,182	697	0	0	0	0	2	4,881	5,478	5,004
0	0	0	0	0	0	0	0	4	4
29,603	**3,330**	**61**	**647**	**0**	**0**	**993**	**33,340**	**55,618**	**54,121**
4,630	1,017	0	0	3,170	0	394	9,211	11,547	14,036
32,002	3,049	286	392	0	5	635	35,585	18,211	17,576
8,741	1,022	0	359	0	– 5	171	9,569	3,566	3,403
0	0	0	0	0	0	0	0	2,795	958
45,373	**5,088**	**286**	**751**	**3,170**	**0**	**1,200**	**54,365**	**36,120**	**35,973**
74,976	**8,418**	**347**	**1,398**	**3,170**	**0**	**2,193**	**87,705**	**91,737**	**90,094**

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

	Cost							
€ thousand	As of Jan. 1, 2014	Additions by Acquisition	Other additions	Disposals	Reclassification in accordance with IFRS 5	Reclassifications	Currency translation	As of Dec. 31, 2014
ANLAGEVERMÖGEN								
I. Intangible assets								
1. Goodwill	40,371	569	0	0	0	969	2,003	43,912
2. Acquired intangible assets	30,226	524	613	16	0	– 969	1,267	31,645
3. Internally generated intangible assets	8,318	0	1,343	0	0	0	– 1	9,660
4. Prepayments made	0	0	4	0	0	0	0	4
	78,915	**1,093**	**1,960**	**16**	**0**	**0**	**3,269**	**85,221**
II. Property, plant and equipment								
1. Buildings on third-party land	15,824	0	370	13	– 4,132	3,252	876	16,177
2. Technical plant and machinery	41,453	120	2,098	502	0	6,170	874	50,213
3. Other plants and equipment fixtures and fittings	10,796	41	1,801	533	0	51	151	12,307
4. Assets under construction	9,139	0	3,133	16	0	– 9,473	12	2,795
	77,212	**161**	**7,402**	**1,064**	**– 4,132**	**0**	**1,913**	**81,492**
	156,127	**1,254**	**9,362**	**1,080**	**– 4,132**	**0**	**5,182**	**166,713**

Depreciation and amortization								Net carrying amount	
As of Jan. 1, 2015	Additions	Impairments	Disposals	Reclassification in accordance with IFRS 5	Reclassifications	Currency translation	As of Dec. 31, 2015	As of Jan. 1, 2015	As of Dec. 31, 2015
5,465	0	0	0	0	0	126	5,591	34,906	38,321
16,786	2,176	0	15	0	0	883	19,830	13,440	11,815
3,950	233	0	0	0	0	– 1	4,182	4,368	5,478
0	0	0	0	0	0	0	0	0	4
26,201	**2,409**	**0**	**15**	**0**	**0**	**1,008**	**29,603**	**52,714**	**55,618**
6,573	842	0	0	– 3,170	0	385	4,630	9,251	11,547
29,099	2,837	0	506	0	– 40	612	32,002	12,354	18,211
7,998	1,054	0	486	0	40	135	8,741	2,798	3,566
0	0	0	0	0	0	0	0	9,139	2,795
43,670	**4,733**	**0**	**992**	**– 3,170**	**0**	**1,132**	**45,373**	**33,542**	**36,119**
69,871	**7,142**	**0**	**1,007**	**– 3,170**	**0**	**2,140**	**74,976**	**86,256**	**91,737**

BALANCE SHEET OATH

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

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

Berlin, March 18, 2016

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, 2015 to December 31, 2015. 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 18, 2016

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, 2015

€ thousand	2014	2015
1. Revenues	3,930	4,638
2. Other operating income	500	2,492
	4,430	**7,130**
3. Staff costs		
a) Wages and salaries	– 2,290	– 2,432
b) Social security contributions and expenditure on pensions and old-age support	– 317	– 340
of which for pensions: € 28 thousand (previous year: € 17 thousand)		
	– 2,607	– 2,772
4. Depreciations on intangible assets of the fixed assets and property, facilities and equipment	– 537	– 568
5. Other operating expenses	– 2,141	– 1,910
6. Income from profit-transfer agreements	4,876	7,276
7. Income from other securities and from loans included under long-term investments	365	193
of which from affiliates: € 180 thousand (previous year: € 352 thousand)		
8. Other interest receivable and similar income	529	440
9. Amortization of financial assets	0	– 4,238
10. Interest payable and similar expenses	– 484	– 364
11. **Net income / loss (–) from ordinary activities**	**4,431**	**5,187**
12. Taxes from income and revenue	2	– 391
13. Other taxes	0	– 2
14. **Shortfall for the year (previous year: profit for the year)**	**4,433**	**4,794**

BALANCE SHEET AS OF DECEMBER 31, 2015

€ thousand	Dec 31, 2014	Dec 31, 2015
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	1,684	1,259
II. Property, facilities and equipment		
1. Real properties, rights equivalent to real property and buildings	28	30
2. Other facilities and equipment, fixtures and fittings	400	393
	428	**423**
III. Financial investments		
1. Shares in affiliates	64,725	60,487
2. Loans to affiliates	3,959	2,396
3. Other loans	368	368
	69,052	**63,251**
	71,164	**64,933**
B. Current assets		
I. Receivables and other assets		
1. Receivables due from affiliates	12,538	14,698
2. Other assets	1,570	3,443
	14,108	**18,141**
II. Cash at banks	1,160	3,983
	15,268	**22,124**
C. Prepaid and deferred expenses	13	50
	86,445	**87,107**
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)	20,248	21,509
IV. Net profit for the year	4,433	4,794
	81,364	**82,986**
B. Special reserves for contributions to fixed assets	**186**	**167**
C. Provisions		
1. Provisions for pensions and similar obligations	381	393
2. Other provisions	1,794	1,850
	2,175	**2,243**
D. Liabilities		
1. Liabilities towards banks	1,350	45
2. Trade liabilities	201	168
3. Liabilities towards affiliates	1,130	1,442
4. Other liabilities	38	45
(of which for taxes: € 35 thousand; previous year: € 54 thousand)		
(of which for social security: € 0 thousand; previous year: € 0 thousand)	2,719	1,700
	0	**11**
	86,445	**87,107**

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

Carrier molecue A carrier molecule is a molecule that carries the radiolabeled substance (e. g. radioactive ^{68}Ga) to the targeted area

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 applicator 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 Image processing for nuclear medical purposes

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

Oncology 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 Chestnut-size organ situated around the neck of the male urethra

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

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

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

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

SagiNova® afterloader, uses the afterloading technique where the radiation source (in the afterloader) is positioned in the immediate vicinity of the tumor via remote control and with the assistance of applicators. This allows the tumor to be irradiated without damaging the surrounding healthy tissue

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

Tracer A radiochemical tracer is a radiolabeled substance that is absorbed into the metabolism after it enters the body and can be used for a wide range of analyses

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 23, 2016	Annual Report 2016
May 10, 2016	Quarterly Report I/2016
May 11, 2016	DVFA Spring Conference in Frankfurt
June 8, 2016	Annual General Meeting in Berlin
August 2, 2016	Quarterly Report II/2016
November 3, 2016	Quarterly Report III/2016
November 2016	German Equity Forum in Frankfurt

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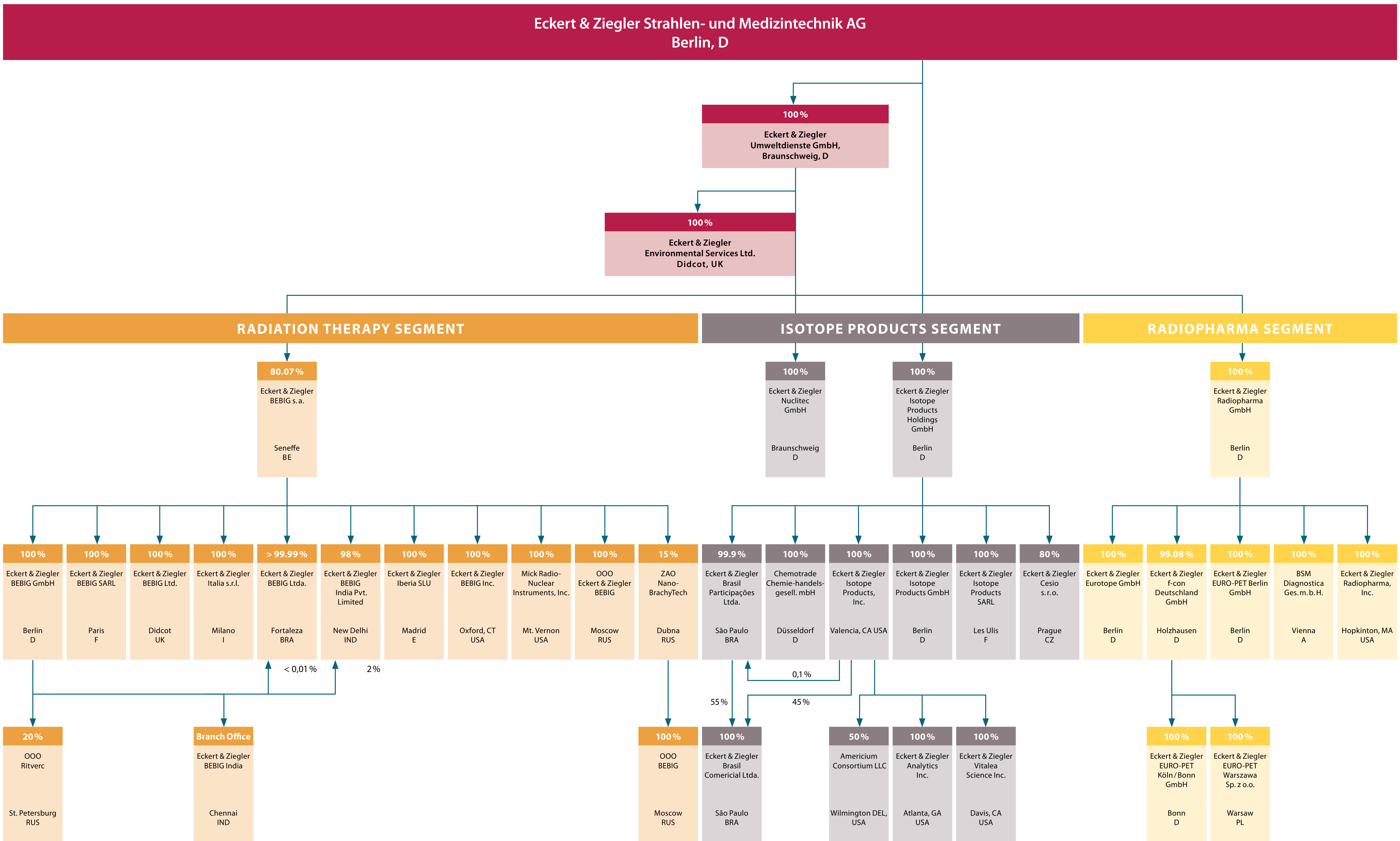
dedicated to health

KEY DATA ECKERT & ZIEGLER

		Change	2012	2013	2014	2015
Sales and Earnings						
Sales	€ thousand	+ 10 %	119,997	117,138	127,256	140,046
EBITDA	€ thousand	+ 27 %	27,475	21,332	20,099	25,574
Depreciations	€ thousand	+ 23 %	7,747	9,187	7,143	8,764
EBIT	€ thousand	+ 30 %	19,728	12,145	12,956	16,810
EBIT margin	%	+ 18 %	16 %	10 %	10 %	12 %
Tax rate	%	– 26 %	33 %	15 %	45 %	33 %
Net profit for the year after taxes and minorities	€ thousand	+ 58 %	10,293	9,035	6,775	10,718
Earnings per share w/o one-off effects	€	+ 58 %	1.95	1.71	1.28	2.03
Cash Flow						
Cash flow from operating activities	€ thousand	+ 52 %	16,574	14,675	10,653	16,230
Liquid assets as of 31 December	€ thousand	+ 44 %	30,842	29,414	21,824	31,466
Balance						
Shareholders' equity	€ thousand	+ 11 %	86,970	90,265	94,490	104,668
Total assets	€ thousand	+ 5 %	164,444	178,407	187,329	196,676
Equity ratio	%	+ 6 %	53 %	51 %	50 %	53 %
Net liquidity (liquidity minus debts)	€ thousand	+ 411 %	15,396	6,787	3,119	15,938
Employees						
Average number of employees*	People	–	573	613	674	672
Number of employees as of 31 December	People	– 3 %	611	686	711	692
Key figures share						
Average number of shares in circulation	Item in thousand	–	5,288	5,288	5,288	5,288
Book value per share	€	+ 13 %	15.27	15.79	16.76	18.86
Dividend	€	–	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 8, 2016*

CORPORATE STRUCTURE (DECEMBER 31, 2015)



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