

Half Year Report

June 30, 2006

NEXUS AG, Villingen-Schwenningen



Letter to our stockholders

Dear Stockholders

The first half-year 2006 has again been exciting and successful at the same time for NEXUS AG. In spite of a relatively strong increase in our result and sales in the previous year, we have been able to improve all relevant key figure areas further. At the same time, acquisition of iSOFT Switzerland GmbH, Schwerzenbach improved our strategic position in an important market.

However, the focal point of the first half-year was on the operative development of our core business. Realization of customer projects as well as further implementation of development strategies are essential milestones, which we want to achieve this year. This concentration is necessary, because we are working on the two areas with the most potential for success of our company: customer satisfaction and our product range. This is potential for success, which represented our focal points in the past and will represent them in the future.

Consequently, it is that much more good news that we got very positive feedback from the market in the first half-year in the form of numerous new follow-up orders. These orders, the contracts of which are still partly being negotiated, represent another solid basis for our business in this year and the next one. At the same time, they are also an obligation to realize our tasks in product development and implementation faster and with even more innovation. Customers trust NEXUS and expect highly professional solutions with advanced technology and contents to optimize their hospital processes. These are challenges, which we are glad to face.

These are challenges, the mastery of which is also a prerequisite for achieving our ambitious goals of the current year. Of course, we are very satisfied against the background of having already achieved our goals in the first half-year. The positive development of the last **16 quarters** has been continued without a break.

Sales increased in the first half-year by approx. **11.8%** from EUR 9.9 million to **EUR 11.0 million**. The **Healthcare Software** Division again developed convincingly, and increased by **19.5%** from EUR 7.6 to **EUR 9.1 million**. The sales contribution of one month of the iSOFT Switzerland GmbH was consolidated for the first time.

Highlights Group Sales and Results

- + **11.8 % increase in sales in the first half year** from KEUR 9,873 (Q2 2005) to KEUR 11,041
- + **19.5 % increase in sales in HC-Software** from KEUR 7,613 (Q2 2005) to TEUR 9,100
- + **Result before taxes of TEUR 562** increase by **167.6 %** compared to prev. year
- + **Sales outside of Germany increased** from **17.1 %** to **28.0 %** compared to total sales

The operating result improved considerably. The **result before taxes** increased from KEUR 210 in the same period of the previous year in 2005 to **KEUR 562** (+167.6%) in the first half-year of 2006. The result after taxes was **KEUR 460** compared to KEUR 48 in the same period of the previous year. The balance relations have not changed essentially compared to Dec. 31, 2005. The amount of cash reserves remains high at EUR 17.4 million and ensures long-term development of the company even though we lately had an acquisition.

The excellent result in the first half-year 2006 is a good starting basis for achieving our yearly goals. In the second half-year, we are going to concentrate on investing in marketing measures and in product development to realize the planned innovations. Integration of acquired companies will remain a special focal point at the same time. Following the successful first months, we are convinced that we can also master these tasks and advance on our path to becoming a significant international supplier of medical information systems.

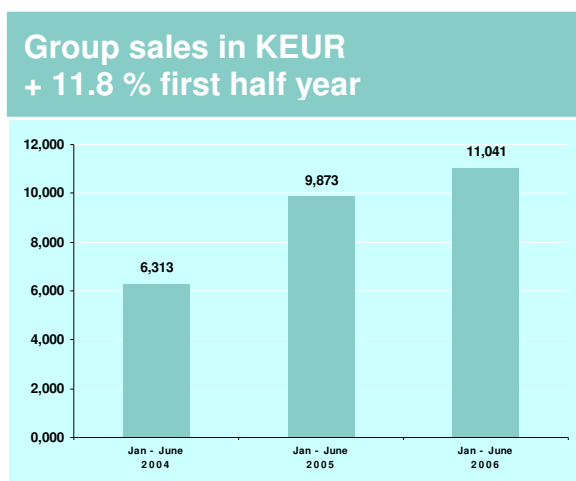

Dr. Ingo Behrendt
CEO NEXUS AG



Dr. Ingo Behrendt
CEO NEXUS AG

Sales again increased further

NEXUS group sales increased from **KEUR 9,873** to **TEUR 11,041** (+11.8%) in the first half year of 2006.



In the Healthcare Software Division a sales volume of **KEUR 4,802** even was achieved in the second quarter 2006 compared to **KEUR 3,685** (+30.3%) in the same quarter of 2005. Sales in the Healthcare Service Division declined by 17.7% from KEUR 1,157 to KEUR 952 during the same period. The sales and operating result of one month of the NEXUS / SCHWEIZ GmbH, Schwerzenbach were consolidated for the first time.

Sales according to regions continue to show a substantial improvement in the Healthcare Software area in the international market (+83.3%). This mainly results from further increases of our market share in Switzerland, Austria and the rest of Europe. The **share of sales outside of Germany** increased overall from 17.1% to **28.0%**.

Sales improved by 19.5% from **KEUR 7,613** to **KEUR 9,100** in the Healthcare Software segment.

Sales in the area of Healthcare Service declined by 14.1% from **KEUR 2,260** to **KEUR 1,941** as a result of the increasingly declining hardware sales.

Sales increased by **18.8%** from **KEUR 4,842** to **KEUR 5,754** compared to the first quarter.

Sales by divisions in KEUR						
	01.01.- 30.06.2005	01.01.- 30.06.2006	△ in %	01.04.- 30.06.2005	01.04.- 30.06.2006	△ in %
Healthcare Software	7,613	9,100	19.5	3,685	4,802	30.3
Healthcare Service	2,260	1,941	-14.1	1,157	952	-17.7
Total:	9,873	11,041	11.8	4,842	5,754	18.8

Growth increased in international business during the first half-year, while domestic business declined slightly (2.9%).

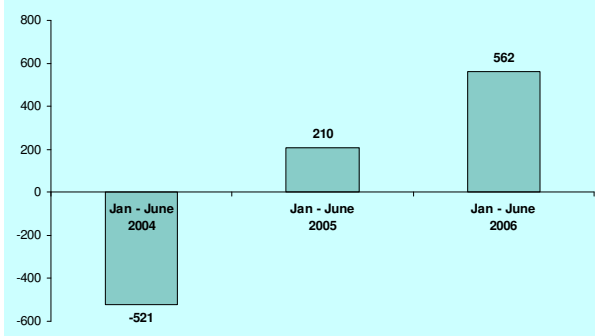
Sales by regions KEUR						
	01.01.- 30.06.2005	01.01.- 30.06.2006	△ in %	01.04.- 30.06.2005	01.04.- 30.06.2006	
Germany	8,184	7,945	-2.9	4,163	3,947	
Switzerland	943	1,959	107.7	430	1,227	
Austria	95	340		15	166	
Italy	344	65		23	25	
Rest of Europe / USA	255	705		192	389	
Arabian region	52	27		19	0	
Total	9,873	11,041	11.8	4,842	5,754	

Results - a great leap in the first half year

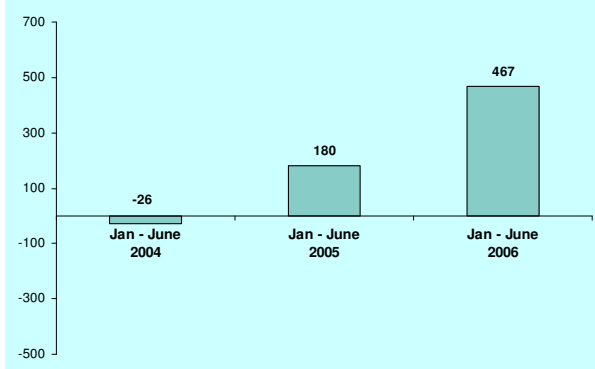
The positive development of the operating result further continued during the reporting period as in the previous periods. The group result before taxes improved by **167.6%** to **KEUR 562** (previous year: KEUR 210). The result after taxes improved in high gear by **KEUR 412 to KEUR 460** (previous year: KEUR 48).

EBITDA within the reporting period was **KEUR 1,935** (previous year: KEUR 1,749).

Group results before taxes in KEUR: + 167.6 %

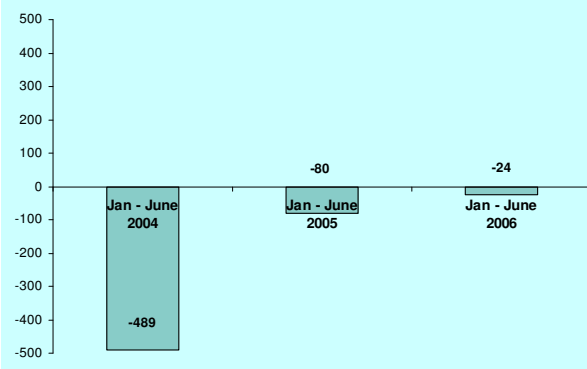


Result of the HC-Software segment in KEUR: +159.4 %



The result in the segment of "Healthcare Software" increased by **KEUR 287 to KEUR 467** (previous year: KEUR 180) in the first half year.

Result of the HC-Service segment in KEUR: -24 KEUR



The segment of "Healthcare Service" continued improving of the result of the previous year. The result increased by **KEUR 56 to KEUR -24** (previous year: KEUR -80). For the total year 2006 an ongoing clear improvement of the division will be realistic.

The **cash flow** from current transactions reduced by KEUR 2,364 from **KEUR 3,804 to KEUR 1,440** compared to the previous year. Special effects from the reduction of claims influenced the cash flow in the previous year. The Group continues to have a large amount of cash funds. **Cash reserves** amounted to **KEUR 17,425** on the cut-off date (June 30, 2005: KEUR 19,389).

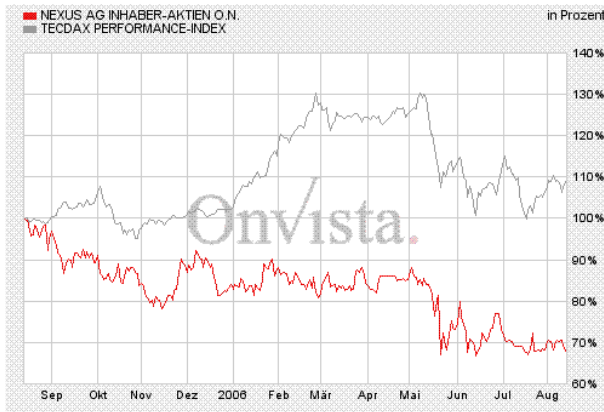
Highlights

Group sales and results

- + Increase of the result of HC-Software segment by KEUR 287 (+159.4%)
- + Increase of the result of HC-Service segment by KEUR 56 to KEUR -24
- + Cash reserves by EUR 17.4 million even though we had an acquisition

NEXUS in the Environment of Financial and Health Markets

PRICE OF NEXUS-SHARES



The price performance of NEXUS stock differed from that of TecDax. The TecDax increased more in the first half-year and then fell to the level of the beginning of the year. NEXUS stocks could not follow the strong increase nor remain unaffected by the negative market trend and consequently decreased to € 3.12 (on June 30, 2006). The acquisition of iSOFT Switzerland (end of May) and the orders received in June did not produce any long-term effects. The stock price is currently stable with positive movements around a level of € 3.

NEXUS MAINTAINS CONTACT

Regardless of whether you want paper or electronic documents from NEXUS, we provide you with the requested information. E-mail us at mail@nexus-ag.de, and you will receive our financial reports or product information as soon as possible. These documents are available for downloading from our homepages www.nexus-ag.de. If you would like information on the telephone, you can call our Investor Relations Team at 07721-8482-320.

Finance and Event schedule 2006 (status quo: August 2006)

Finance schedule

Interim Report Q3-2006	November 20th
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Event and trade fair schedule

eHealthcare, Nottwil (CH)	Sept. 28th - 29th
Rheingau-Tage Radioonkologie, Wiesbaden (D)	Sept. 28th - 30th
IFAS, Zurich (CH)	Oct. 24th - 27th
Medica, Düsseldorf (D)	Nov. 15th - 18th

Decisions in favor of NEXUS in the first half year 2006

Complete solution

- DGD Krankenhaus, Sachsenhausen (D)
- Gesundheitszentrum, Fricktal (CH)
- Krankenhaus Dornbirn, Dornbirn (A)
- Psychiatrie Uniklinik, Basel (CH)
- Clementinenhaus, Hannover (D)

Ward solution

- Med. Einricht. Oberpfalz, Regensburg (D)
- Krankenanstalt der Stadt, Wien (A)
- Städtisches Krankenhaus, Forchheim (D)
- Universitätsklinik, Marburg (D)
- Virngrundklinik, Ellwangen (D)
- Kantonsspital, Luzern (CH)
- Universitätsklinikum, Göttingen (D)
- Universitätsklinik, Erlangen (D)
- St. Barbara, Attendorn (D)
- Städtisches Krankenhaus, DD-Neustadt (D)
- Klinikum St. Antonius, Wuppertal (D)
- Klinikum, Villingen-Schwenningen (D)
- Hospital Diyarbakir, Diyarbakir (TR)
- Krankenhaus St. Josef / Göttlicher Heiland, Wien (A)

NEXUS Acquires iSOFT Switzerland GmbH

NEXUS AG acquired 100 % of the shares of iSOFT Switzerland GmbH, Schwerzenbach (CH) from the parent company iSOFT Deutschland GmbH as of May 31, 2006. The company provides administrative information systems designed specifically for the Swiss healthcare system.

The acquisition of iSOFT Switzerland GmbH not only generated a lot of interest on the market, but is also another important step in the direction of our strategic objectives. With sales of about SFR 8.0 million (approx. € 5.1 million) and more than 70 customers, the company is one of the market leaders in the segment of administrative information systems in the Swiss healthcare system.

EXPANSION OF PRODUCT PORTFOLIO / ENLARGED CUSTOMER BASE / ENHANCEMENT OF DEVELOPMENT SKILLS

The goal of this acquisition is to expand the product portfolio of NEXUS on the Swiss market and develop it into an integrated system landscape to benefit shared customers. The company, which will operate under the name NEXUS / SCHWEIZ in the future, will receive clear impulses for product development from the NEXUS Group.

Furthermore NEXUS and iSOFT Germany will intensively cooperate within several product segments.

The merger of two companies successful on the Swiss market will create an attractive concentration of industry skills for customers. With a total of more than 100 hospital customers, NEXUS / SCHWEIZ will become the strongest IT group in the healthcare system in Switzerland.

As a result, we are strengthening our market position in Switzerland substantially, which we have expanded continually over the past years.



Dr. Ingo Behrendt (NEXUS AG), Dave Gregory (iSOFT Group plc) and Albert Besewski (iSOFT Switzerland GmbH) following signing of the contract.

The company is going to expand the administrative product range NEXUS / HOSPIS intensively and sell it together with the medical information systems from NEXUS / MEDFOLIO. With NEXUS / MEDFOLIO, NEXUS / SCHWEIZ will market the most successful medical information system on the Swiss market.

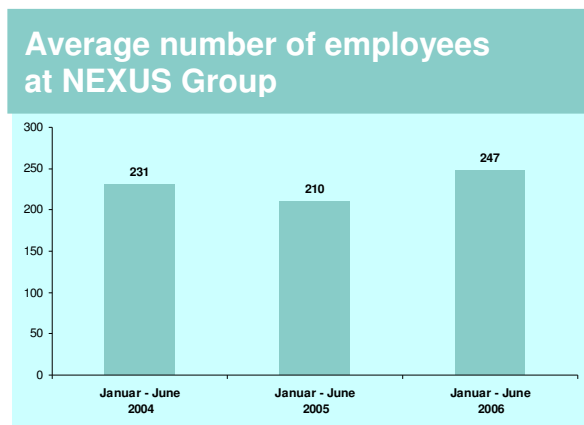
Start-screen of a product modul of NEXUS / HOSPIS:



NEXUS Group information and Outlook

NUMBER OF EMPLOYEES INCREASED DUE TO INTEGRATION

The number of employees was 247 persons as of June 30, 2006. A total of 210 persons were employed in the same period of the previous year. New employees were integrated and especially an extension of competence in product development was realized within the wake of integrating iSOFT Switzerland GmbH.



DIRECTORS HOLDINGS

The director's holders of the supervisory board and the executive board are as follows on June 30, 2006 in comparison the previous year:

Directors Holdings		
	Number of stocks owned	No. of options
Supervisory Board		
Dr. jur. Hans-Joachim König	81,099 Previous year: 81,099	0 Previous year: 0
Dr. Herwig Freiherr von Nettelhorst (until stockholders meeting 2006)	0 Previous year: 0	0 Previous year: 0
Prof. Dr. Alexander Pocsay (as of stockholders meeting 2006)	0 Previous year: 0	0 Previous year: 0
Ronny Dransfeld	0 Previous year: 0	0 Previous year: 0
Dr. Dietmar Kubis	0 Previous year: 0	0 Previous year: 0
Prof. Dr. Ulrich Krystek	0 Previous year: 0	0 Previous year: 0
Wolfgang Dörflinger	0 Previous year: 0	0 Previous year: 0
Executive Board		
Dr. Ingo Behrendt (MBA)	82,000 Previous year: 40,000	165,000 Previous year: 200,000
Dipl.-Betriebswirt (FH) Stefan Burkart	116,147 Previous year: 76,147	0 Previous year: 0

OUTLOOK

Speedy consolidation of our product environment, a new company acquisition, success in the integration of already acquired companies, good business results, and a large number of new orders:

NEXUS could hardly be in a better position at this time.

In fact, we have been able with increasing success to take the correct strategic and convincing operative steps in a highly competitive market.

Especially in product development, the strategy of a modular, medical information system, which can be adapted specific to target groups, has been crowned with thorough success.

An increasing number of customers are putting their trust in us, both in Germany and in the international market. We are already in a very comfortable position in many markets and can see a rapid spread of NEXUS products.

The integration of our subsidiaries has also contributed to our current success as has the consistent internationalization of our business model. Consequently, we are able to orient the companies of the Group to a uniform strategy for technology, quality and products and position them clearly with the Group. This is an orientation, which our customers appreciate and which make it possible for us to work increasingly effective.

It will be a question over the coming months of continuing the course we have started on and mastering product challenges successfully. We are very positive about developments after this successful first half-year and are working intensively on achieving our objectives.

Facts and Figures

Consolidated balance sheet as of June 30, 2006 and December 31, 2005 (IFRS)

ACCOUNTING AND VALUATION METHOD

This interim report from the NEXUS Group as of June 30th, 2006 has been prepared in keeping with the International Financial Reporting Interpretations (IFRS). The interpretation of the International Financial Reporting Interpretation Committee (IFRIC) has been taken into account.

The same accounting and valuation methods were used in the interim accounts as in the consolidated financial statements of the business year 2005. The report has not been audited.

Assets	31.12.2005	30.06.2006
	KEUR	KEUR
Long Term capital		
I. Intangible assets		
1. Concessions, industrial property and rights and assets as well as licenses from such rights and assets	158	131
2. Goodwill	6,080	9,047
3. Development costs	8,046	8,249
4. customer base / technology	2,600	2,468
II. Property, plant and equipment		
1. Tenant Installations	29	5
2. Other equipment, factory and office equipment	434	600
III. Financial assets		
1. Investments in associates	45	45
2. Other loans	43	43
IV. Deferred taxes	2,976	2,923
Total long term capital	20,411	23,511
Short Term capital		
I. Inventories	536	348
II. Receivables and other assets		
1. Trade receivables	4,665	5,486
2. Receivables from associates companies	0	6
3. Other assets	2,496	2,618
4. Tax refund claims	330	446
III. Prepared expenses	105	247
IV. Securities	16,238	15,042
V. Cash and cash equivalents	3,151	2,383
Total short term capital	27,521	26,576
Total assets	47,932	50,087

Facts and Figures

Consolidated balance sheet as of June 30, 2006 and December 31, 2005 (IFRS)

Liabilities and Equity	31.12.2005	30.06.2006
	KEUR	KEUR
Equity		
I. Subscribed capital	13,720	13,720
II. Capital reserves	38,886	38,886
III. Other reserves	1	2
IV. Equity capital difference from currency conversion	8	-1
V. Validation reserve for financial instruments	4	-120
VI. Reserve for pensions	-139	-139
VII. Loss carry-forward	-11,632	-11,370
VIII. Annual net profit / loss	262	443
Equity capital attributable to stockholders of the parent company	41,110	41,421
Minority interest	190	188
Total equity	41,300	41,609
Long term liabilities		
I. Pension provisions	590	595
II. Other provisions	475	1,187
Total long term liabilities	1,065	1,782
Short-term liabilities		
I. Tax provisions	1	15
II. Bank loans	0	161
III. Received payments for orders	522	1,011
IV. Trade accounts payable	2,412	1,530
V. Liabilities with associated companies	18	21
VI. Other liabilities	2,865	2,081
VII. Deferred income	19	1,877
Total short term liabilities	5,567	6,696
Total liabilities and Equity	47,932	50,087

Facts and Figures

Group Profit and Loss Account as of June 30, 2006 and June 30, 2005 (IFRS)

	01.04.2005 30.06.2005	01.04.2006 30.06.2006	01.01.2005 30.06.2005	01.01.2006 30.06.2006
	KEUR	KEUR	KEUR	KEUR
1. Revenue	4,842	5,754	9,873	11,041
2. Increase/decrease in finished goods and work in progress	-203	-41	-386	-44
3. Own work capitalized	863	861	1,662	1,677
4. Other operating income	608	146	741	374
5. Cost of materials				
a) cost of raw materials, consumables and goods for resale	926	848	1,895	2,030
b) Cost for purchased services	339	295	648	395
6. Personnel costs				
a) Wages and salaries	2,531	2,760	4,648	5,191
b) Social costs	466	512	882	982
7. Depreciation and amortization of fixed intangible and tangible assets	876	927	1,749	1,752
8. Other operating expenses	1,111	1,308	2,119	2,497
9. Other taxes	2	1	5	6
10. Expenses from associated companies	0	0	0	
11. Other interest and similar income	136	137	289	370
12. Revenue from associated companies	0	0	0	0
13. Write-offs of financial assets	0	0	6	0
14. Interest payable and other similar charges	15	2	17	3
Profit before tax	-20	204	210	562
15. Income taxes	-89	-60	-162	-102
Profit after tax	-109	144	48	460
account for				
stockholders to the parent company	-129	125	100	443
minority interest	20	19	-52	17
Earnings per share				
Weighted average of issued shares (in thousands)	13,720	13,720	13,720	13,720
Result per share in EUR (diluted and undiluted)	-0.01	0.01	0.01	0.03

Facts and Figures

Consolidated Cash flow statement as of June 30, 2006 and June 30, 2005 (IFRS)

	IFRS 01.01.2005 - 30.06.2005	IFRS 01.01.2006 - 30.06.2006
	KEUR	KEUR
1. Cash flow from operating activities		
Results of the year before deduction of profit payable to other shareholders, income taxes, interest and finance income/expenditure	210	562
Depreciation and amortization	1,748	1,752
Other expenses/income with no impact on cash	79	0
Profit / loss from disposal of long-term capital	0	0
Profit / loss disposal of securities	-54	2
Increase / decrease in inventories	422	189
Increase / decrease in trade receivables and other assets that cannot be allocated to investing or financial activities	1,991	-364
Changes in provisions	39	558
Increase / decrease in trade receivables and other liabilities that cannot be allocated to investing or financial activities	-989	-1,378
Interest paid	-14	-3
Interest payment received	241	237
Income taxes paid	-99	-115
income taxes received	230	0
	3,804	1,440
2. Cash flow from investing activities		
Cash received from disposal of property, plant and equipment / intangible assets	1,746	0
Cash paid for investments in property, plant and equipment / intangible assets	2,579	-1,648
Cash paid for investments in financial assets	-83	-1,753
Cash paid for investments in associated companies	0	0
Cash received disposal of securities	8,714	5,379
Cash paid for investments in securities	-8,995	-4,309
	-1,197	-2,331
3. Cash flow from financing activities		
Acquisition of treasury shares	-31	0
Short Bank loans	-225	-161
Inflows from minority shareholders as part of capital increase	0	0
	-256	-161
4. Cash and cash equivalents at end of period		
Cash relevant changes in cash and cash equivalents (sum of 1 + 2 + 3)	2,351	-1,052
Change in currency translation adjustment	0	-9
Change in currency conversion adjustment	79	-577
Cash and cash equivalents at beginning of fiscal year	2,772	3,860
	5	2
5. Composition of cash and cash equivalents		
cash on hands	5,427	2,383
Bank liabilities due on demand	-225	-161
	5,202	2,222

Facts and Figures

Development of Group Equity of June 30, 2006 and June 30, 2005 (IFRS)

	Subscribed capital	Capital reserve	Other provisions	Equity difference from currency conversion	Reserve for financial instruments	Reserve for pensions	loss carry forward	Consolidated deficit / profit	Equity capital attributable to stockholders of the parent company	Minority interest	Sum equity	Authorized capital
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Consolidated equity as of 31.12.2004 according to IFRS	13,720	38,899	1	3	75	-41	-11,162	-470	41,025	440	41,465	1,718
Transfer of 2004 consolidated loss to consolidate loss carry-forward							-470	470				5,142
Equity difference from currency conversion with Nexus Medizinssoftware und Systeme AG												
Stock-based payment												
Change in shares of third parties										-51	-51	
Valuation of employee benefits IAS 19												
Valuation of financial instruments at Fair Value					-4				-4		-4	
Valuation of employee benefits IAS 19		-31							-31		-31	
Consolidated profit 30.06.2005								100	100		100	
Consolidated equity as of 30.06.2005	13,720	38,868	1	3	71	-41	-11,632	100	41,090	389	41,479	6,860
Consolidated equity as of 31.12.2005 according to IFRS	13,720	38,886	1	8	4	-139	-11,632	262	41,110	190	41,300	6,860
Transfer of 2005 consolidated profit to consolidate loss carry-forward							262	-262				
Equity difference from currency conversion with Nexus Medizinssoftware und Systeme AG			1	-9					-8			
Valuation of employee benefits IAS 19												
Valuation of financial instruments at Fair Value					-124				-124			
Consolidated profit 30.06.2006								443	443	-2	-2	
Consolidated equity as of 30.06.2006	13,720	38,886	2	-1	-120	-139	-11,370	443	41,421	188	41,609	6,860

nexus/ag

e-health solutions

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