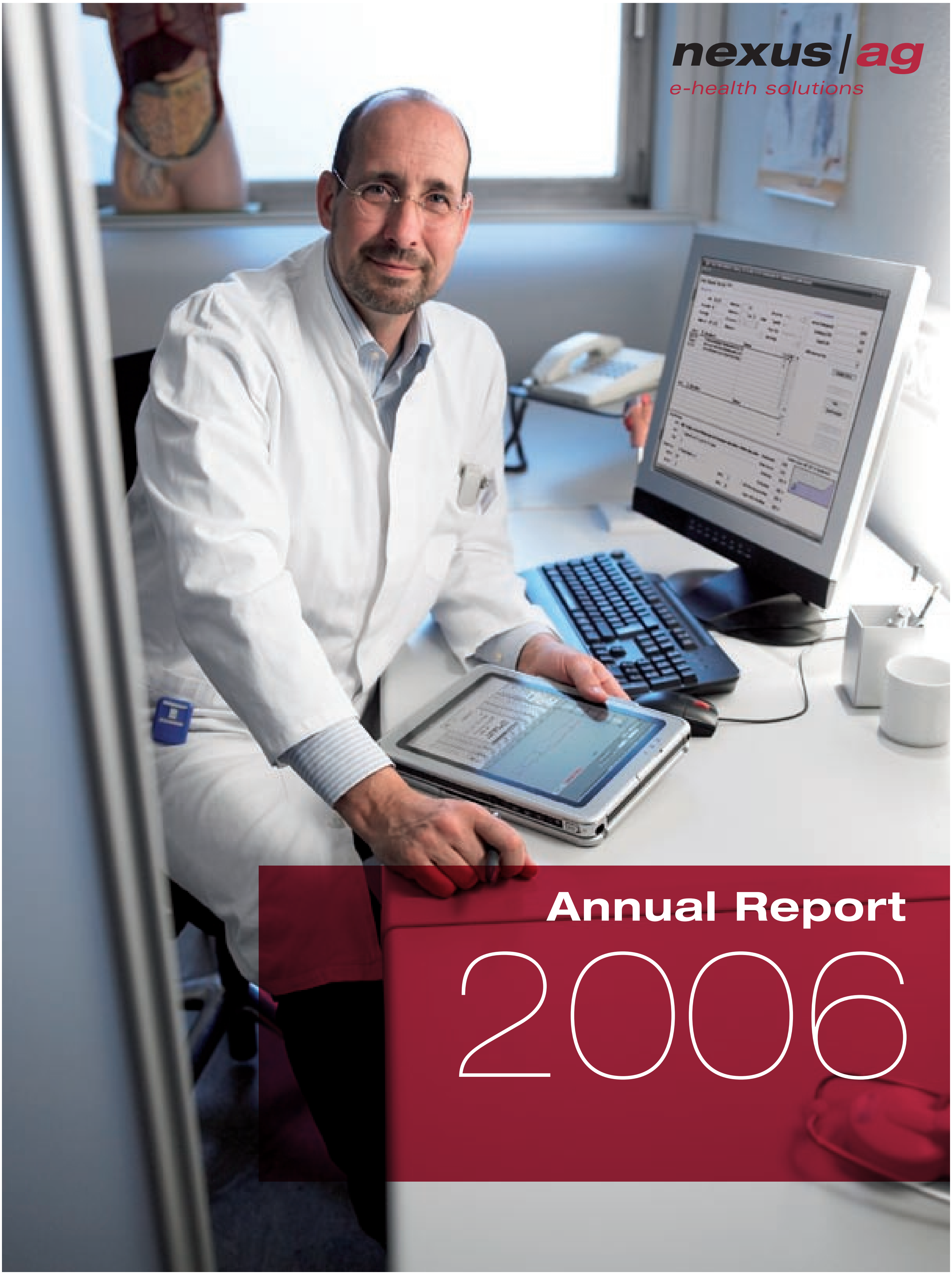
nexus | ag
e-health solutions



Annual Report 2006

“We are proud of this result, on which we are going to build up our company further in the coming years.”

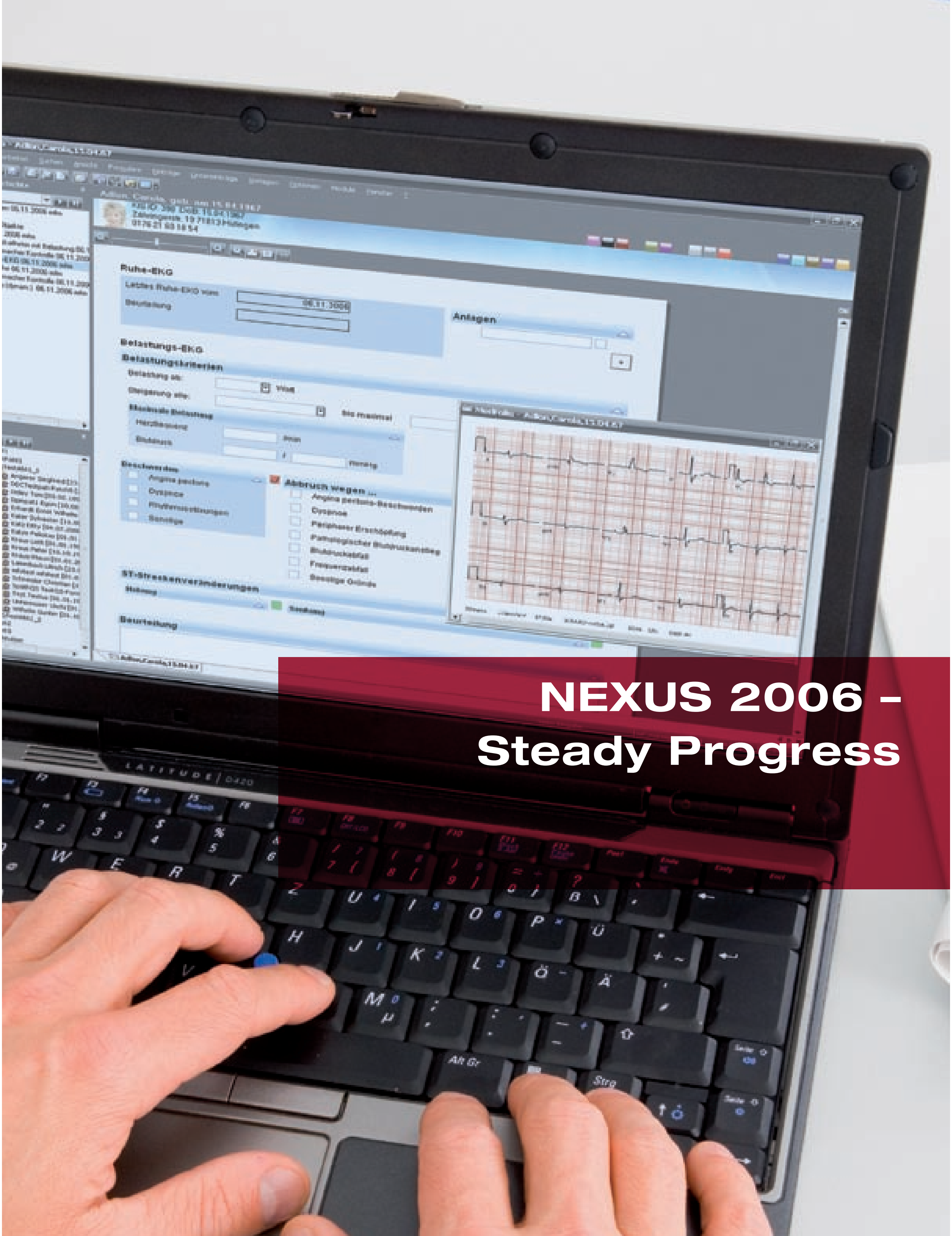
Dr. Ingo Behrendt

Chief Executive Officer, NEXUS AG

Contents

Invitation to the SpitalDirektoren Symposium of NEXUS Switzerland

Advertising campaign of the NEXUS-group



NEXUS 2006 – Steady Progress

Ingo Behrendt, Chief Executive Officer

Dear Sir or Madam

We have surpassed our expectations in almost all areas. As a result, the development of our company in the year 2006 can be summarized briefly. We were able to increase our key figures decisively and improved our position substantially in all strategically important areas. We are proud of this result, on which we are going to build up our company further in the coming years.

And we have succeeded in doing this in a market, which is undergoing very great changes worldwide. Consolidation on the market is progressing more quickly, and competition for market shares is becoming more intense at the same time. More important: the race to develop the "best" solution has begun. How will doctors, hospitals and complete health regions be supported optimally by software solutions in the future? This fundamental question is the focus of developments on the market and competition. NEXUS is in a great position to deal with this. With the claim "medicine in focus", we are documenting that NEXUS software is oriented to the core processes in the health care system and to the needs of users. At the same time, the modular, open architecture of our system already corresponds to market trends today.

The modular, open architecture of our system already corresponds to market trends today.

We rely consistently on service-oriented structures (SOA) and the use of functional components in software architecture and consequently ensure a high degree of safeguarding for the future in software development.

With the expectation of considerably tougher competition, we have had a goal of achieving moderate increases in sales and revenues over the past years. Especially against the background of our increases last year, we have mainly targeted consistent expansion of our customer bases.

We have been able to surpass our targeted goal by a substantial amount thanks to winning a number of outstanding projects and the positive feedback of our regular customers concerning new products.

Sales in the Healthcare Software Division, which is extremely important for us, even increased by 39%.

Sales increased in the reporting year to EUR 26.13 million and consequently surpassed those of the previous year by approx. 25% (previous year: EUR 20.98 million). Sales in the Healthcare Software Division, which is extremely important for us, even increased by 39% to EUR 21.89 million (previous year: EUR 15.71 million). We consolidated sales of NEXUS Switzerland in these figures in the amount of EUR 3.75 million. The share of international business should be pointed out here, which is already at 40% in this area.

The development in the Healthcare Software Division especially shows that our product strategy on the market is being received positively and is resulting in continually increasing demand. We had the highest rate of new acquisitions in our company's history in 2006 with 102 new hospitals. We have a mutual obligation with these customers to achieve a clear lead in the qualitative and economic improvement of hospital processes.

Dr. Ingo Behrendt

The operating result increased considerably more than sales and substantially more than planned in the past year. Profit before taxes is EUR 1.07 million for 2006 following EUR 0.42 million in the previous year (+254%), and Group profit is EUR 0.75 following EUR 0.26 in the previous year (+288%). As a result, our operating results have improved for the sixth year in a row.

The strong increases in sales in the last quarter has result in an increase of accounts receivable of EUR 2.51 million. In spite of this increase and continued spending for company acquisitions, we still have substantial cash reserves. NEXUS AG had more than EUR 17.45 million in cash reserves as of 31 December 2006.

The strategic expansion of our company also continued unabated in 2006. We have consistently pursued achievement of our goal to become even stronger internationally with the acquisition of iSoft Switzerland in 2006. In addition to attractive technology and urgently needed staff members, this acquisition provides us with further expansion of our good market position in Switzerland.

On the sales side, we won a number of "lighthouse projects" in 2006, which were widely acknowledged in the industry. The contract with the German Social Security Rhineland, Dusseldorf (DRZ) is certainly one of these projects; it is equipping its institutions completely with NEXUS programs. The installation of a uniform medication solution in all city hospitals in Vienna and the installation in the Psychiatric Ward of Basel University Hospital are also among the projects won by NEXUS, which are receiving noticeable attention.

We started an new product initiative without precedent for us last year, which also resulted directly in new customer projects. New solutions in the area of cardiology, medication, endoscopy and neuro-rehabilitation are setting a clear sign. An innovation in the area of obstetrics, in which an empirically developed algorithm displays a prediction of the course of birth in a graph, is targeting the direction of an expert system. Our developments are just as important in the area of quality assurance in hospitals. We are helping hospitals there to take care of their documentation obligations in KTQ certification with the least possible amount of work and expenses. These are developments, which demonstrate that NEXUS is in the forefront of innovation competition for e-health solutions.

We were also very active in the area of cooperative ventures in 2006. We concluded a new cooperative venture in the Arabian market, have become active with a new partner in the Belgium market, and signed a distribution partner contract with SAP AG at the end of 2006. These are cooperative ventures, which make it possible for us to expand our range of installations and at the same time develop in new customer segments, including those in foreign countries.

Overall, we implemented our strategies very successfully in 2006. We have grown considerably, improved our operating results substantially and expanded our market position in Germany, Switzerland, Austria and Arab countries.

We want to continue this development in 2007 and again increase sales and result substantially in 2007.

Stefan Burkart

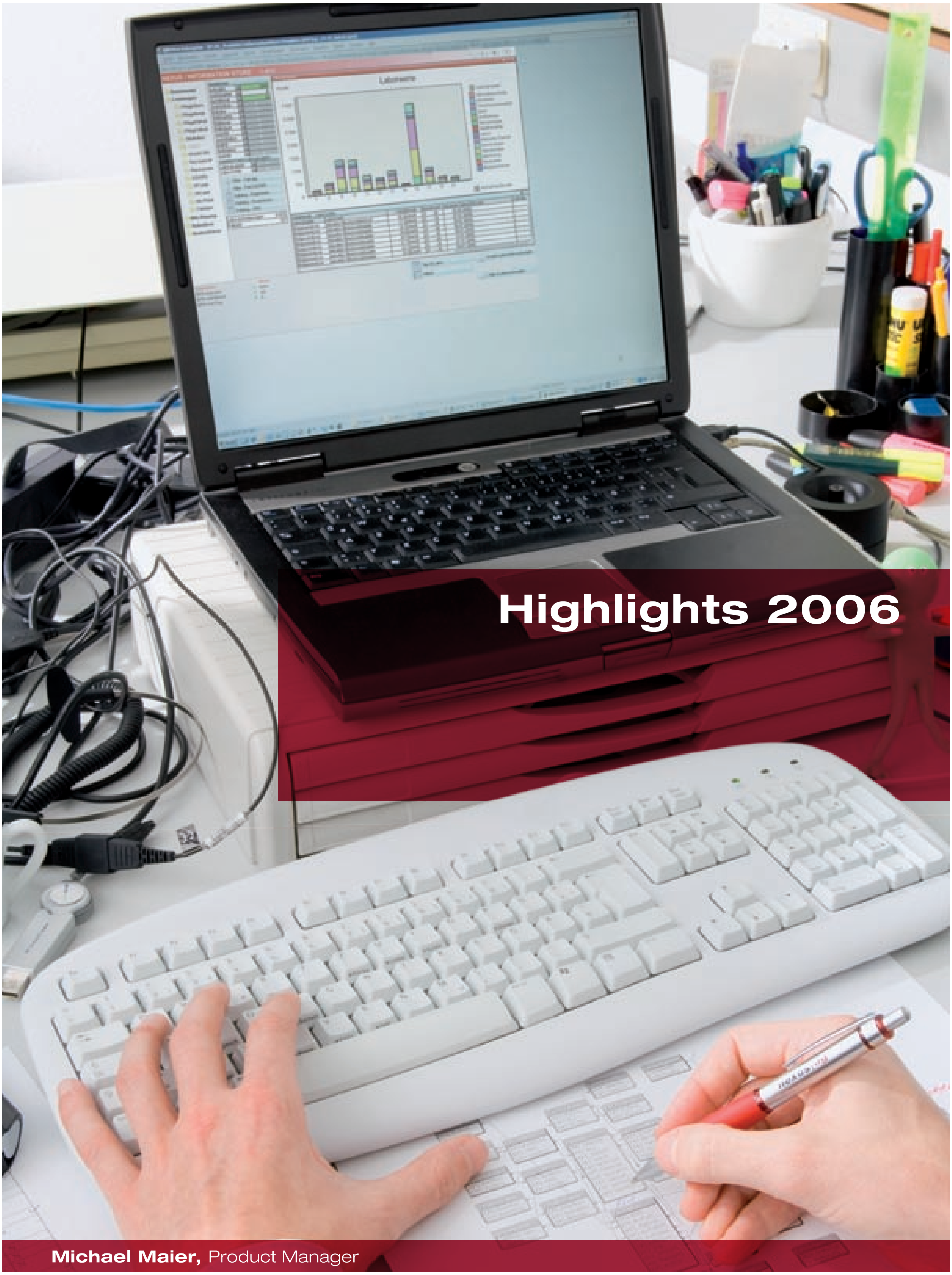
It will mainly be a question of implementing the large projects successfully and putting customer satisfaction once again in the center of our attention. We can only generate high growth rates in the long term in this way.

The excellent development of business and the outstanding market position of NEXUS AG is thanks to many: customers, staff members, partner and even stockholders. They have all contributed to helping the company develop so well and making it possible for us to realize our vision of innovative medical informatics.

Dr. Ingo Behrendt   Stefan Burkart

Key Figures 2006

	2004	2005		2006	
	TEUR	TEUR	%	TEUR	%
REVENUE AND RESULT					
Sales	16,395	20,983	28.0	26,121	24.5
Sales Healthcare Software	10,997	15,708	42.8	21,882	39.3
Sales Healthcare Service	5,398	5,275	-2.3	4,239	-19.6
Sales National	12,666	17,285	36.5	17,207	-0.5
Sales International	3,729	3,698	-0.8	8,914	141.0
Ernings before tax	-119	422		1,127	167.1
EBITDA	2,668	3,398	27.4	4,056	19.4
Result per Share	-0,04	0,02		0,05	
INVESTMENTS AND DEPRECIATION					
Investments in intangible and tangible assets	3,562	3,662	2.8	3,774	-12.8
Depreciation	3,082	3,498	13.5	3,715	6.2
ASSETS, EQUITY AND LIABILITIES					
Balance sheet assets	47,782	49,612	3.8	51,546	3.9
Capital assets	19,961	22,091	10.7	24,187	9.5
Short-term capital	27,821	27,521	-1.1	27,359	-0.6
Net Liquidity	16,694	19,389	16.1	17,446	-10.0
Equity	41,465	41,300	-0.4	42,260	2.3
Equity ratio	86.8%	83.2%		82.0%	
Bank loans	184	0		43	
Short-term liabilities	5,555	6,042	8.8	6,770	12.0
KEY FIGURES					
Cash Flow from operative activities	4,310	7,533	74.8	2,415	-67.9
Cash Flow from financing activities	-4,797	-6,685	39.4	-1,828	-72.7
Number of Users of NEXUS-Software	40,600	45,400	11.8	54,300	19.6
EMPLOYEES (END OF THE YEAR)	197	199	1.0	249	25.1



Highlights 2006

Michael Maier, Product Manager

JANUARY

www.krankenhaus-sachsenhausen.de

DGD Sachenhausen Buys NEXUS HIS!

Another hospital of the DGD Group has selected the NEXUS HIS and is planning to modernize all processes in the long term using the completely integrated NEXUS solution.

New Medication Module NEXUS / Medikation Implemented at First Customer!

Starting January, NEXUS provides completely digitalized medication management from prescription to logistics to administration. This is a way to increase safety drastically in dispensing drugs.

FEBRUARY

www.ksl.ch

Lucern Canton Decides to use the NEXUS HIS in All Hospitals!

Lucern Canton has selected NEXUS software for all its hospitals following the call for bids for the canton hospitals Lucern, Sursee and Wolhusen.

NEXUS / MATERLOG Launched on the Market

NEXUS / MATERLOG makes it possible for doctors to document the complete course of pregnancies, including births (fetal outcome), with all details. Consequently, the competence range has been expanded beyond obstetrics in the pregnancy process.

MARCH

www.gzf.ch

The Fricktal Health Center (CH) Purchases NEXUS Software!

As additional hospitals in Aargau Canton, the hospitals in Fricktal are using NEXUS software in the complete medical area.

NEXUS Releases Substantially Increased Quarterly Result!

With an increase of 56% to 0.36 million, NEXUS continued the positive development of sales and operating result of the past year in the first quarter 2006.

APRIL

www.ktq.de

KTQ and NEXUS Conclude Strategic Partnership!

NEXUS and KTQ GmbH have concluded a far-reaching partnership with the goal of joint marketing and merging of existing products in the area of QM certification.

Clementinen Hospital Hanover Buys NEXUS HIS!

A hospital of the German Red Cross selects a NEXUS solution with the introduction of the hospital information system from NEXUS.

MAY

www.wienkav.at

The Hospitals of the KAV Vienna Decide to Use the NEXUS Medication Module!

Safety in administering drugs thanks to the latest technologies: the 11 hospitals of KAV are starting the project of digital medication with NEXUS. This is proof once again of the strength of our solution.

NEXUS Acquires iSOFT Switzerland!

NEXUS AG acquired the shares of iSOFT Switzerland GmbH, Schwerzenbach (CH) from the parent company iSOFT Deutschland GmbH as of 31 May 2006. 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. As a result, NEXUS AG is strengthening its market position in Switzerland substantially, which it has expanded continually over the past years.

JUNE

www.hohemark.de

Hohe Mark Hospital – DGD GmbH Selects the NEXUS HIS!

As a result, the existing information system is being replaced and expanded by the new functions in the area of psychiatry.

The general stockholders meeting approved the resolutions submitted by the administration by a large majority!

Approval of the supervisory board and the executive committee as well as the proposals for capital and statute changes was higher than 97% in each case. The general stockholders meeting named Prof. Pocsay as a new member of the supervisory board.

JULY

www.cup2000.it

Bazzano Hospital (I) Decides to Use NEXUS Software!

Bazzano Hospital will participate in the regional “patient files” of CUP 2000 on the basis of NEXUS software in the future. In the meantime, this type of storing patient files is considered exemplary in the regions and as a great success for the hospitals, Cup 2000 and NEXUS.

NEXUS Presents the New Uniform Group Interface for All Software Solutions!

With a look based on VISTA, NEXUS software solutions appear even more ergonomic and modern.

AUGUST

www.krankenhaus.dornbirn.at

Hospital of the City of Dornbirn (A) Introduces the NEXUS HIS!

As the first hospital in Voralberg to do so, Dornbirm has selected the NEXUS solution! With the goal of introducing a more user-friendly hospital information system, equipped with additional functions and reliable for the future, the project “HIS New” was awarded to NEXUS AG following a call for bids throughout the EU.

NEXUS Records Profit and Sales Increase in 1st Half Year 2006!

Sales of KEUR 11,041 compared to KEUR 9,873 in the previous year (+11.8%) and a substantially improved operating result before taxes of KEUR 562 following 210 in the previous year (+167.6%) were recorded in the first half year of 2006.

SEPTEMBER

www.spitalsaanen.ch

Spital Saanen AG Hospitals (CH) Purchases NEXUS / HOSPIS!

The investment in the modernization of the product range of NEXUS Schweiz has paid off with this first success in the area of administrative solutions since acquisition by the NEXUS AG,.

NEXUS Presents New Solution in Outpatient Dispensing of Drugs!

Due to the increasing importance of outpatient drug dispensing within psychiatric wards, NEXUS is introducing an integrated module that increases the safety of processes in outpatient drug dispensing. Installed for the first time in the KAV Vienna, the module has generated a lot of interest in other hospitals.

OCTOBER

www.srh.de

SRH Hospitals Neckargemünd and Heidelberg Select the NEXUS HIS!

Additional hospitals of the SRH Group are putting their trust in the IT solutions in the medical sector provided by NEXUS AG.

NEXUS Implements New Module for Generating Doctors' Reports (NEXUS / MEDOFFICE)!

The new NEXUS / MEDOFFICE solution from NEXUS is a quantum leap for processes in hospitals. It provides automatic report generation with maximum integration and a high degree of convenience.

NOVEMBER

www.zrwest.de

German Social Security's Central Computing Center West (ZRWest GmbH) Awards Contract to NEXUS!

ZRWest GmbH is putting its trust in NEXUS in a total of six hospitals. Medical processes will be optimized uniformly and supported by NEXUS software in all hospitals.

NEXUS Announces Intensive Care Solution!

NEXUS AG is launching a solution in intensive care medicine at the end of 2007. Talks have already been held with the first reference customers and project planning has been completed.

DECEMBER

www.pukbasel.ch

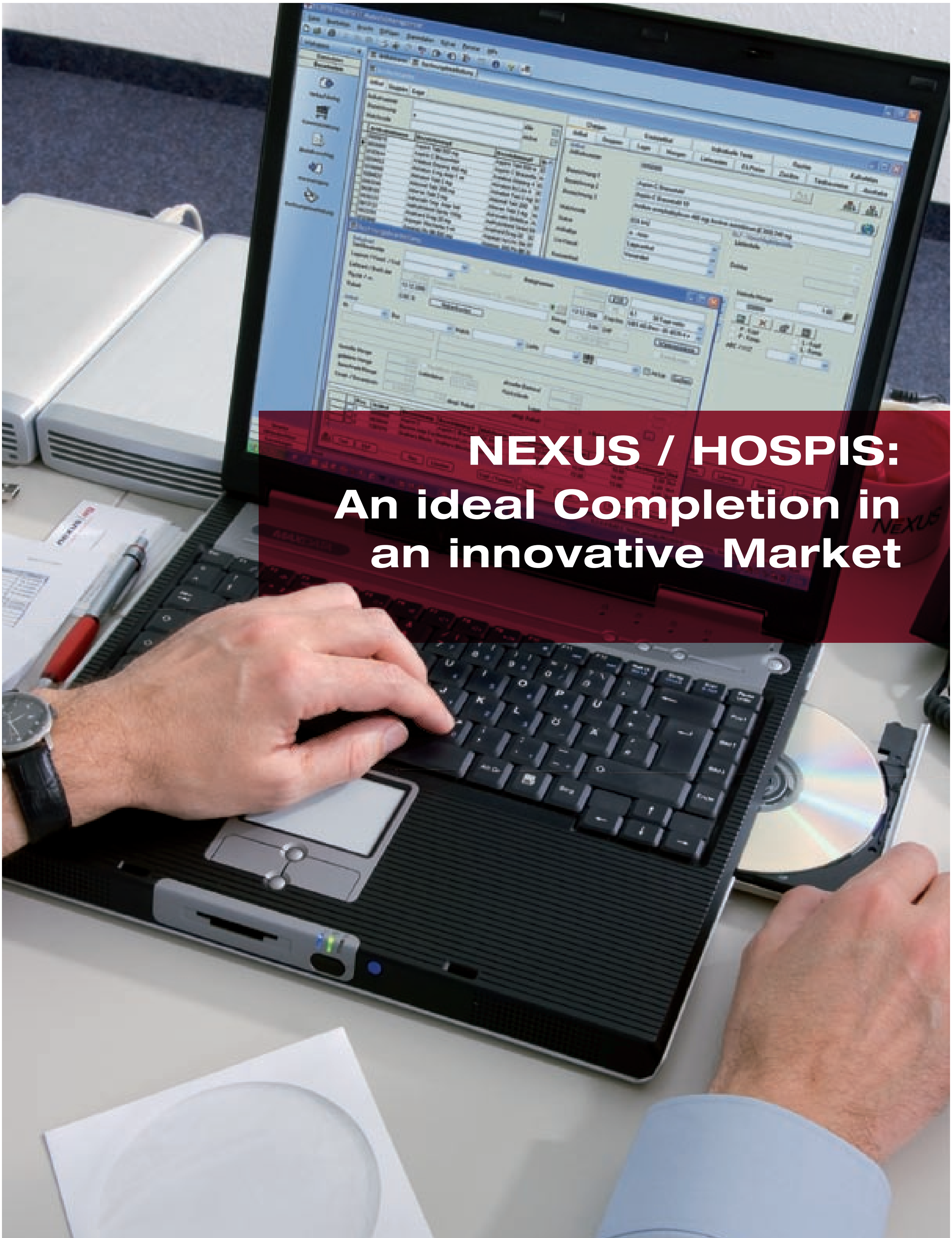
University Psychiatric Clinics (UPK) Basel Trust in NEXUS!

With the introduction of NEXUS in medical area, the UPK are certain that hospital processes can be shortened and consequently the quality of patient care can be improved further. The strong position of NEXUS in Basel, in Switzerland and in psychiatric institutions is being expanded further with this contract.

www.sap.com

NEXUS Becomes Channel Partner of SAP!

To take advantage of the increasing expertise of NEXUS in introducing SAP systems as supplement to the medical solution of NEXUS in the health care system, NEXUS is acting as a representative for SAP product within the framework of a channel partnership.



NEXUS / HOSPIS: An ideal Completion in an innovative Market

Edgar Kuner, Manager Software Development

NEXUS on the IFAS (CH) exhibition, 2006

NEXUS acquired 100% of the shares of iSOFT Switzerland GmbH, Schwerzenbach (CH) from the parent company iSOFT Deutschland GmbH as of 31 May 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 internationalization and strengthening the innovative force of NEXUS. With 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. This is an important goal, because the increasing interconnections between administrative and medical processes represent a very important topic in Switzerland. Together with the new subsidiary, NEXUS has started modernizing the existing product range of NEXUS Schweiz and is generating additional customer benefits thanks to the combination of these two product areas.

The first months have already shown that the company operating under the name NEXUS Schweiz since 1 June 2006 has placed new and modernized products on the market. It can also be seen that the consistent use of synergy potential is resulting in fast improvement of the business situation. Another factor is that NEXUS has a clear market position with its successful and now expanded product profile: an open, modular hospital information system, which focuses on optimum support of hospital processes.

Investments in the Hospis Product Line / Use of Synergies / Clear Market Positioning

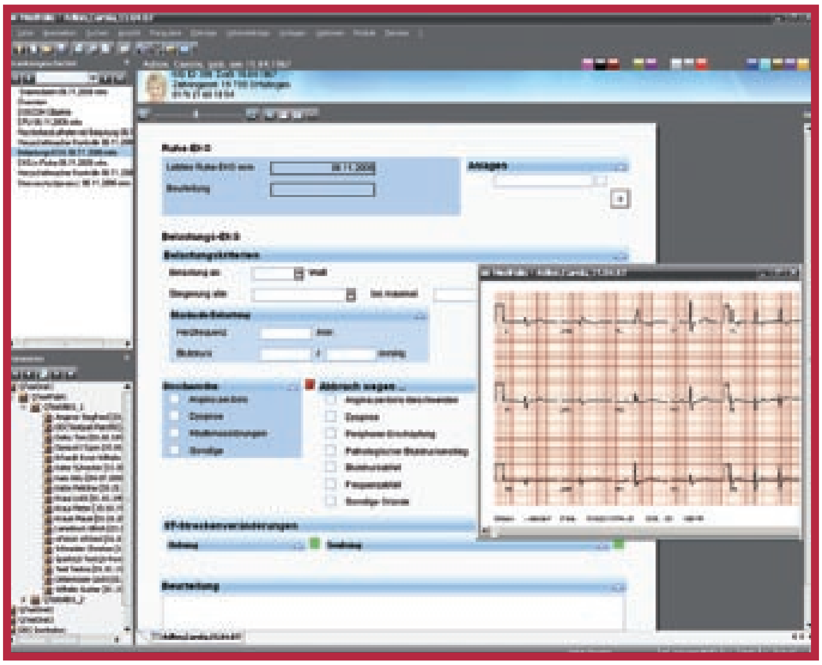
The merger of two companies successful on the Swiss market creates an attractive concentration of industry skills for customers. This especially applies to the introduction of DRG in Switzerland, which requires substantial adjustments. We are prepared for this. With a total of more than 100 hospital customers, NEXUS Schweiz is the strongest IT group in the healthcare system in Switzerland and is expanding its market position continually.

Product brochure
"Medicine in Focus"

Software in a New Look:

NEXUS Presents "Vista-Oriented" Interface

User-prompting improved even more, a uniform, recognizable interface for all NEXUS products and a strongly modernized look: we changed the product interfaces to a new design with these goals in mind in 2006.



Based on the Aero Look of Microsoft, the New NEXUS Is Integrated Seamlessly in Windows Vista.

Style elements such as glassy objects have been used for this as well as uniform colors and a clear interface structure. But the interface design is not just limited to its look, but it is also connected with improvements of ergonomy and functions. The pre-structured template header, continually displayed color codes and the stepless zoom for templates and pictures: these are all functions, which resulted in significant improvements in using the software in our user studies. They not only make faster operation possible, but also mean less training time for new users. This is an important aspect in hospitals, because they have high numbers of users and considerable staff fluctuation.

The new interface is in line with the NEXUS development strategy, which puts user-friendly and total support of multi-level hospital processes in the forefront. NEXUS relies consistently on the use of functional components in its software architecture and consequently ensures a high degree of required flexibility in software development. New organization forms in hospitals such as specialty-overlapping medical centers or multiprofessional treatment teams virtually require the use of adaptable software services (functional components).

Functional Components Form the Backbone of Our Service-Oriented Solutions.

Functional components make it possible for hospitals to put together the right IT structure for their needs. They form the backbone of NEXUS solutions in the sense of service-oriented architecture (SOA).

Mousepad give-away

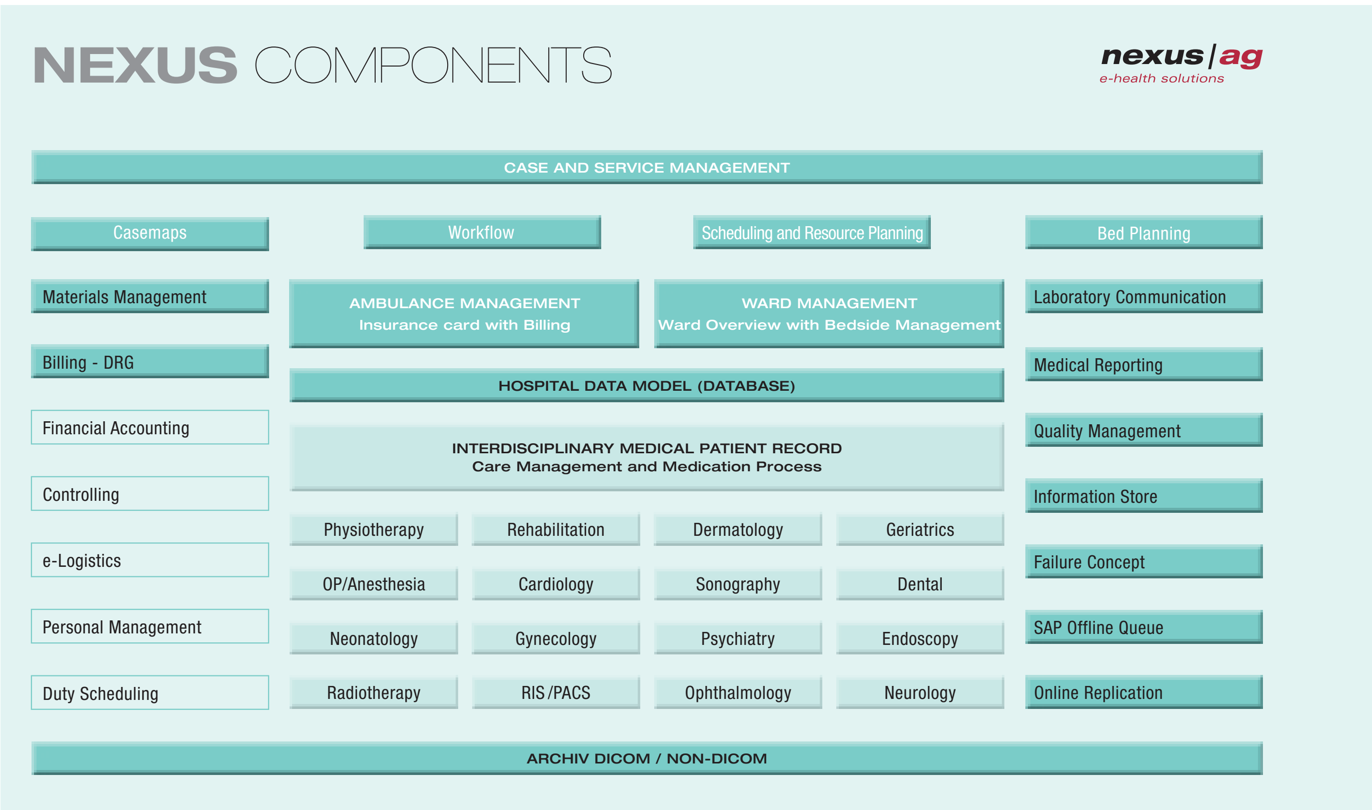
As a hospital information system of the next generation, NEXUS / MEDFOLIO is structured modularly and open. Monolithic, closed application structures have proved to be too inflexible faced with the dynamic changes in the health care system.

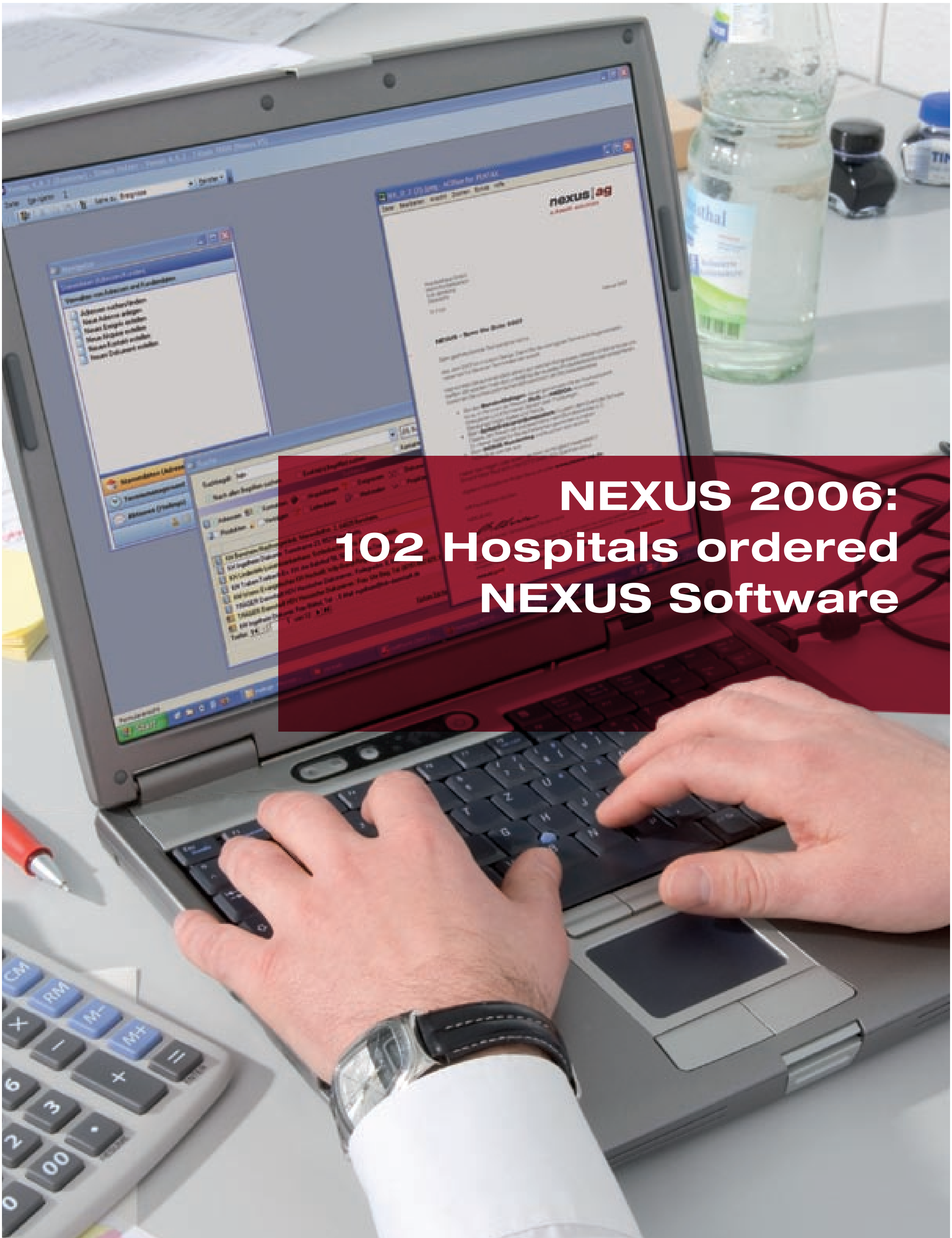
NEXUS enables a step-by-step introduction of software modules with its modular architecture and consequently makes integration into existing EDP landscapes possible.

This is a substantial advantage for staff in the health care system, who can adapt step-by-step to the challenges of information processing. The advantages are obvious: thanks to the open architecture, existing investments are protected and one-sided dependence on one single provider is avoided in the long term.

Integration and Modularity: Outstanding Features of NEXUS Architecture.

NEXUS shows with this architecture that the system properties “integrated” and “flexible use” are not a contradiction, but instead complementary. This is a strategy, which the industry and especially customers find very welcome and which is pointing the way to the future.





NEXUS 2006: 102 Hospitals ordered NEXUS Software

Frank Schneider, Manager Sales NEXUS / MEDFOLIO

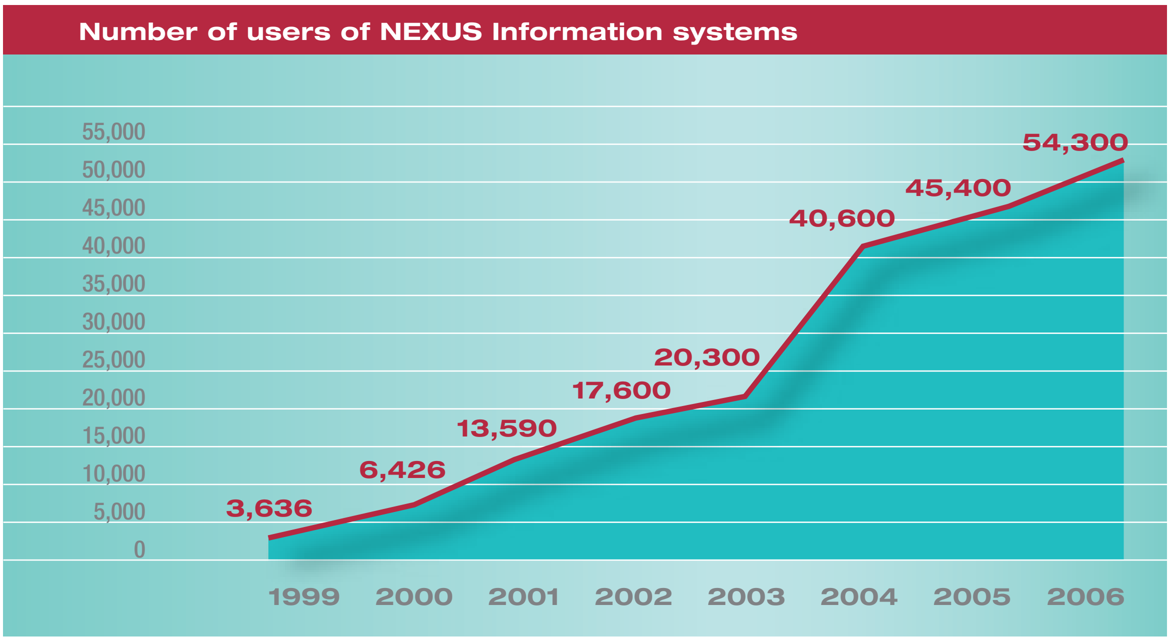
NEXUS on the MEDICA exhibition (D), 2006

This is a record, which entails obligations. More new customers decided to use NEXUS software in 2006 than ever before. We were successful across the whole range of our software functions and target groups last year. We received proof with 58 total installations – i.e., installations that cover the majority of hospital processes – in national and international hospitals that NEXUS software (NEXUS / MEDFOLIO) is one of the most innovative products on the market. Customers trust us in these significant decisions more than ever and are betting on the ability of our company to deliver in the future. We have especially done a lot concerning the future of our software over the past years. Our developments have accelerated in all areas. Numerous new functions, new modules and improvements make the product increasingly attractive, even for customers who already use other solutions.

102 Customers: a record, which entails obligations. More new customers decided to use NEXUS software than ever before.

We were also able to set a NEXUS record with 44 decisions in favor of our ward-specific installations. New installations in psychiatry (NEXUS / MEDICARE), radiology (NEXUS / INORMS), gynecology (NEXUS / GMT) and quality assurance (NEXUS / CURATOR) have proved that our software is also competitive within specialist areas. We have shown innovations in each of these areas and strengthened the basis of our software. At the same time, we have been able to improve integration between the products further and consequently make it easier to select NEXUS products.

Against this background of the large number of projects, we are faced with the challenge of adapting the structures of our company to these increased requirements. Customers justifiably expect well thought-out service and training concepts in addition to good technology. These are requirements, to which we are going to pay special attention in the upcoming periods.



NEXUS at a Glance

Company and Main Office
NEXUS AG, Auf der Steig 6, 78052 Villingen-Schwenningen

Fields of Business
Healthcare Software: IT-solutions for hospitals, rehabilitation clinics and social welfare institutions
Healthcare Service: IT consulting for hospitals

Subscribed capital
EUR 13,720,000.00

Equity capital
EUR 42,260,000

Number of employees
249 (12/31/2006)

WKN/ISIN Code
522090/DE 000 522090 9

Market segment
Prime Standard of the Frankfurt Stock Exchange

Subsidiaries

NEXUS Digitale Dokumentationssysteme Projektentwicklungsges. mbH
Wien (A)

NEXUS.IT GmbH SÜDWEST, SÜDOST und NORD
Villingen-Schwenningen (D)

NEXUS Medizinsoftware u. Systeme AG
Kreuzlingen (CH)

NEXUS Schweiz GmbH
Schwerzenbach (CH)

NEXUS Italia S.r.l.
Bologna (I)

INOVIT Radiology Software GmbH
Ismaning (D)

NEXUS / MEDICARE GmbH
Ismaning (D)

NEXUS / GMT GmbH
Frankfurt am Main (D)

Finance and Event Schedule

03/26/2007
Analysts and Annual Financial Statement Press Conference
10 a.m., equinet AG, Frankfurt - Main / Germany

05/14/2007
Quarterly Report Q1/2007

06/18/2007
General Stockholders Meeting
11 a.m., Haus der Wirtschaft, Stuttgart / Germany

08/13/2007
Semi-Annual Report 2007

11/12/2007 – 11/14/2007
Deutsches Eigenkapitalforum
Congress Ceter, Exibition Frankfurt – Main/ Germany

11/19/2007
Quarterly Report Q3/2007

	12/31/2004	12/31/2005	12/31/2006
PERFORMANCE 2006 (FRANKFURT STOCK EXCHANGE CLOSING PRICES FOR THE NEXUS SHARE)			
High	2,88	4,73	3,94
Low	1,85	2,11	2,95
Market Capitalization (year end in million EUR)	29,49	51,04	46,05
Result per share in EUR (average)	-0,04	0,02	0,05

Mailing „Event calendar"

Trade Fairs and Congresses

04/17/2007 – 04/19/2007
ITeG Berlin
IT Trade Fair & Dialog in the Healthcare System

04/26/2007 – 04/27/2007
SpitalDirektoren Symposium
Luzern / Switzerland

05/16/2007 – 05/19/2007
Deutscher Röntgenkongress, Berlin

09/27/2007
eHealthcare Congress
Nottwil / Switzerland

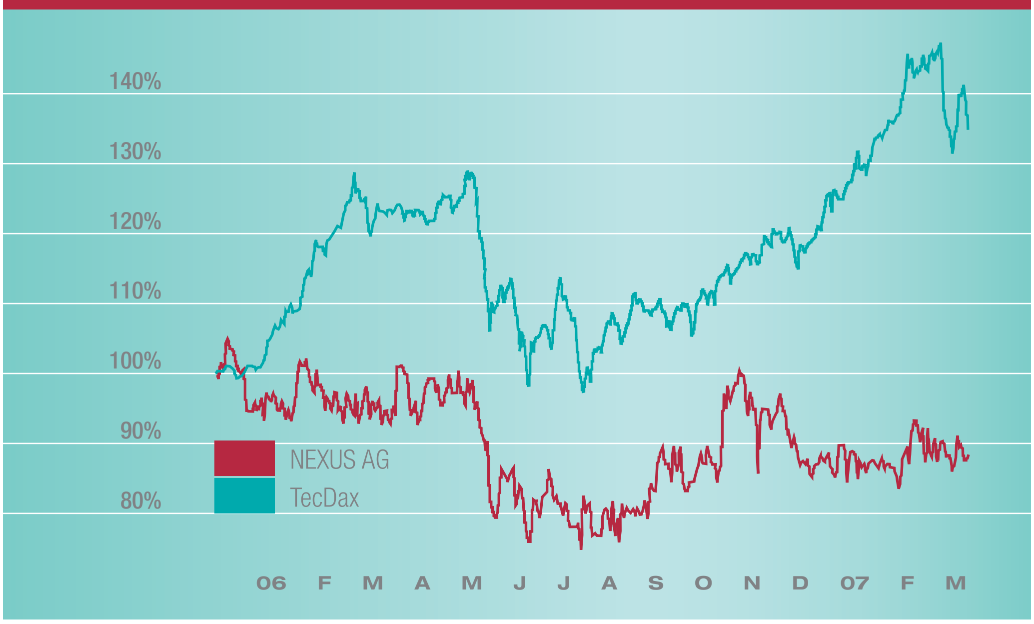
11/14/2007 – 11/17/2006
MEDICA Düsseldorf – World's Largest Medicine Trade Fair

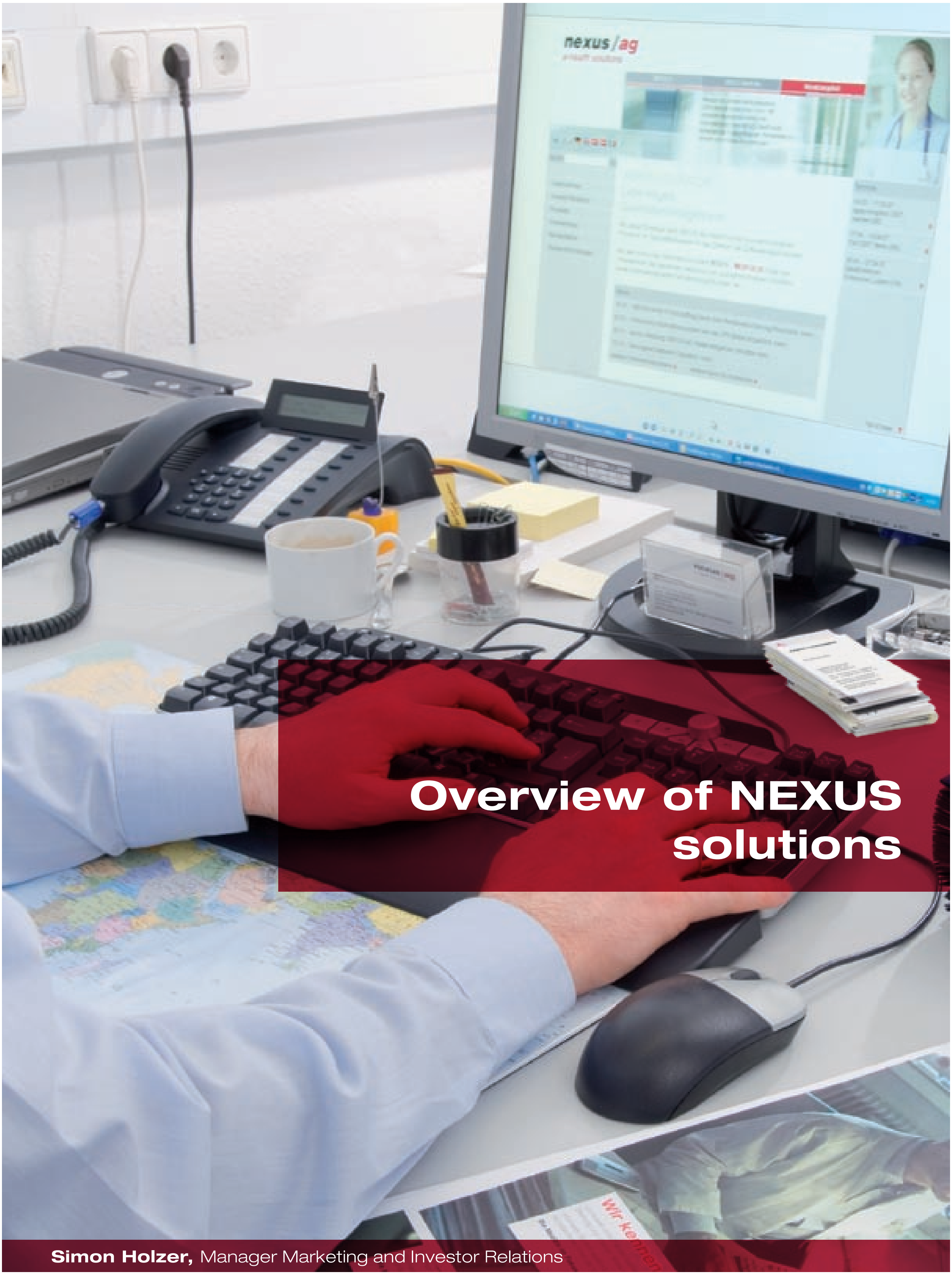
NEXUS Maintains Contact

Our IR principles of up-to-date reports, continuity and equal treatment were also given their due in 2006. An open and continual dialog has been maintained, and information has been provided in detail in the quarterly reports. Within the framework of target-oriented communication, business developments were also publicized in ad hoc reports and press releases. Regular contact of the executive board to investors and analysts was thereby intensified further. In addition to the annual analysts conference, the executive board took advantage of the occasions of road shows, telephone conferences and one-on-one talks. The range of information on our website was also improved and our investor relations staff is of course available as a contact partner to provide information to you.

Simon Holzer
Investor Relations

Performance 2006 (Frankfurt Stock Exchange closing prices for the NEXUS share)





Overview of NEXUS solutions

Simon Holzer, Manager Marketing and Investor Relations

NEXUS / MEDFOLIO
Clinical Information System of NEXUS:
Treatment management for somatic institiutions.

NEXUS / MEDICARE
Psychiatric Information System of NEXUS

Workflow
Steering tool for processes dealing with diagnostics, therapy and documentation. It contains control of treatment paths, planning jobs, scheduling examinations and optimizing therapy.

+ NEXUS / CASEMAPS
  A Navigation tool for your treatment guidelines with all aspects of diagnosis, therapy and documentation.
+ NEXUS / JOB ORDERS
  Controls the complete process of communicating findings.
+ NEXUS / SCHEDULING
  Manages and schedules appointments and resources electronically for complete hospitals.

Medical Modules
Complete solutions for all wards and offices in hospitals from planning to equipment integration and all the way to documentation. It is designed specifically for the requirements of wards. Available as a stand-alone or integrated system.

+ NEXUS / GMT
  The solution for obstetrics and gynecology.

+ NEXUS / INORMS
  The complete radiologic solution.

+ NEXUS / OP
  Planning and documentation systems for OP and anaesthesia.

+ NEXUS / DENTAL
  A comprehensive dental information system.

+ NEXUS / KARDIOLOGIE
  Optimization of medical and administrative processes in your cardiology ward.

+ NEXUS / ENDOSKOPIE
  A completely integrated system for wards with endoscopic or sonographic focal points.

Hospital Management
Controlling hospitals. This covers processes of hospital management such as patient management, inpatient and outpatient billing, accounting and controlling as well as logistics and administration.

NEXUS / DDC
Enter performances at any spot (centrally/decentrally) or derive them automatically.

Quality Management
A knowledge database as tool set for quality management and assurance according to established procedures (KTQ, BQS).

NEXUS / ARCHIVING
Uniform archiving of all documents, pictures and films.

NEXUS / IT
IT-Consulting for the Healthcare sector.

Product flyers

Report of the Supervisory Board

Invitations to exhibitions
IFAS (CH) and MEDICA (D)

The Supervisory Board was informed in written and oral reports at regular intervals by the Executive Board about the respectively current development of business, the risk situation and especially about important events in the business year 2006. The Supervisory Board has fulfilled its checking and monitoring obligations. The business transactions submitted for approval to the Supervisory Board due to legal and company statutes were checked and discussed with the Executive Board. In addition, the Chairperson of the Supervisory Board as well as his deputy were informed about the course of business at regular intervals.

With the end of the general stockholders meeting of 19 June 2006, the previous supervisory board member Dr. Herwig Freiherr von Nettelhorst left the board and Prof. Dr. Alexander Pocsay was elected as member to take his place in the Supervisory Board.

The Supervisory Board dealt in depth the topic of "Corporate Governance" in its session on 14 December 2006, especially with the German Corporate Governance Code. The Supervisory Board passed a resolution about the common correspondence statement of Supervisory Board and Executive Board in line with Clause 161 of the German Stock Corporation Law. The common correspondence statement is reproduced at www.nexus-ag.de and the year-end report on page 31.

In the five sessions during the business year, the Supervisory Board dealt above all with the current business situation, further strategic development as well as possible and current company acquisitions. The chances and risks of acquisition candidates were discussed intensively and negotiations were supported actively. Another focal point in the sessions was the further internationalization of the company.

The Supervisory Board form a financial audit committee, which met once in the business year 2006.

The Executive Board submitted the year-end report of the NEXUS AG for the business year 2006 to the members of the Supervisory Board; it also submitted the status report of the Executive Board and the auditing report of the auditor. In addition, the Group year-end report, the Group status report and the Group auditing report of the auditor were submitted to the members of the Supervisory Board. The accounting of the year-end report and the status report was checked by the auditors elected by the general stockholders meeting, Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft Stuttgart, and given an unrestricted audit certificate.

The Supervisory Board also checked the Group year-end report, the Group financial statement as well as the status report and the Group status report and discussed and approved them in their session of 14 March 2007 and 23 March 2007 in the presence of the auditors and the Executive Board members. Consequently, the year-end report and the Group financial statement have been approved. The Supervisory Board also thoroughly checked the information in the status report and the Group status report provided by the Executive Board according to Section 289 Clause 4 of the Commercial Code and Section 315 Clause 4 of the Commercial Code for the business year 2006 and concluded that the information is correct and comprehensive.

The Supervisory Board would like to thank the staff and the Executive Board of the company for work performed and congratulate them on the successful year of 2006.

Villingen-Schwenningen, 23 March 2007
The Supervisory Board

Dr. Hans-Joachim König
Chairperson

Group Management Report
2006

I. DEPICTION OF THE GROUP AND THE COURSE OF BUSINESS

1. Development of NEXUS in the Overall Economic Environment

NEXUS is a software supplier for hospitals and wards. With the core products:

- NEXUS / MEDFOLIO: Complete information system for somatic hospitals
- NEXUS / MEDICARE: Complete information system for psychiatric institutions
- NEXUS / INOVIT: Radiology information and diagnosing system for radiology wards and offices
- NEXUS / GMT: Information system for obstetric institutes and gynecology
- NEXUS / HOSPIS: Complete administration information system for Swiss hospitals

solutions are adapted to customer needs and specific customer processes are depicted. The software architecture is modular, open and service-oriented and consequently can be integrated into existing IT infrastructures. The service orientation of the products makes it possible to integrate functions (services) into third-party products and newly acquired solutions too. In this way, regular customers of newly acquired companies can profit directly from additional functions.

The various modules of the software solution are used both for improving billing processes and course of treatments as well as for optimizing the quality of the documentation of patient date. The aim of our product is to offer our customers everything necessary for digitalization, acceleration and qualitative improvement of their business processes.

NEXUS sells mainly to customers in the public health care system. Consequently, is strongly depending on the developments of budgets and structural changes of the hospitals in addition to the competitive situation. Hospitals in German remain affected by budget restrictions.

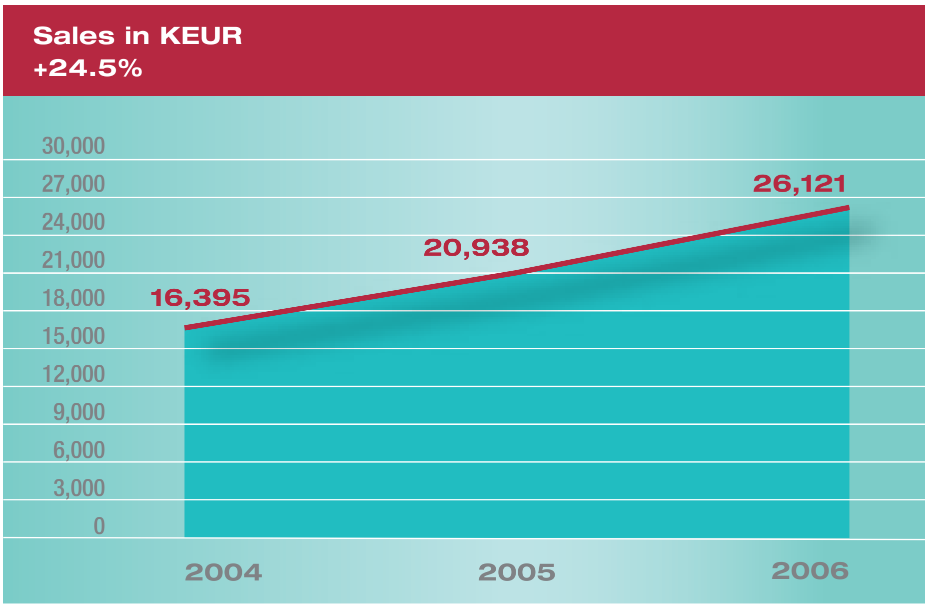
Production and Company Integration

The acquisition of 100% of the shares of iSOFT, Switzerland GmbH, Switzerland by NEXUS Medizinsoftware und Systeme AG, Kreuzlingen, Switzerland on 31 May 2006 has strengthened the range of products of NEXUS on the Swiss market and makes it possible to sell in the overall Swiss system too. In addition, subareas of solutions can also be used for the international market.

The continued technical and market-oriented integration of the products of the acquired companies was an essential focus of further internal development in 2006. Integration steps were taken both on the technical and on the organizational levels for this. The areas "Customer Care Center" and "Product Management" were organized more centrally. On the technical level, a group-wide, uniform interface was introduced, so that the software systems now also have the same look.

Growth and Improvement in Performance

The set targets of "significant growth in the Healthcare Software sector" and "a positive result of more than 0.5 million EUR" were clearly achieved in 2006.



NEXUS expanded its own market position thanks to new orders and improved its position in one of the core markets with the acquisition of iSoft Switzerland GmbH.

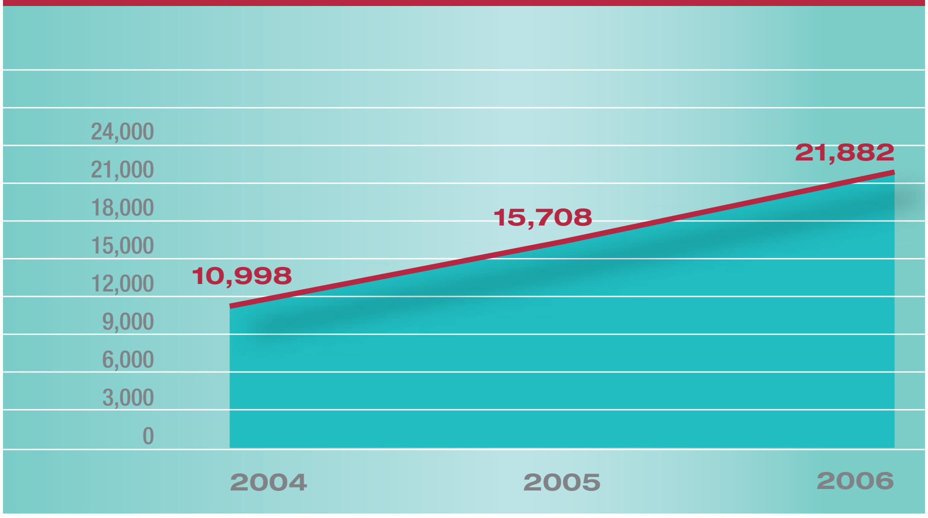
The sales focus of NEXUS in 2006 was again in the Healthcare Software Division. In comparison to 2005, the division again achieved a substantial increase in sales. In addition to organic growth, this area was strengthened by the acquisition of iSoft Switzerland GmbH, Switzerland. The company was integrated into the consolidation sphere of NEXUS AG starting from the purchase date. The share of our international involvement again increased in the area of Healthcare Software in 2006. Important orders were also won outside of Europe.

The operating result of the Healthcare Service Division improved thanks to building up of new business fields, but sales decreased further for hardware solutions.

Product Development

While integration topics were in the forefront of development activities in 2005, production innovations characterized 2006. Substantial resources were invested in development and further development of new medical components and services. Topics such as medication, endoscopy, OP, letter writing and comprehensive obstetrics solutions were developed further and have been already presented and installed on the market for the most part. The development of a new interface was also an essential step in 2006. It provides a new, Group-wide design of the NEXUS Group, which has been presented on the market.

Sales Healthcare Software Division in KEUR +39.3%



2. Assets, Finances and Profit Situation

The NEXUS Group had consolidated sales of KEUR 26,121 in 2005 following KEUR 20,983 in 2005. This represents an increase in sales of 24.5%. The NEXUS Schweiz GmbH share of growth was KEUR 4,218 (82.1%).

The pre-tax profit for the year improved from KEUR 422 in the previous year to KEUR 1,127 substantially. KEUR -313 from the integration of NEXUS Schweiz GmbH are contained in the consolidated results figures. Individual value adjustments were required for receivables in the amount of KEUR 959 during the reporting period.

The EBITDA 2006 was KEUR 4,056 following KEUR 3,398 in 2005 (+ KEUR 658). As a result, NEXUS AG has improved the EBITDA for the sixth time in succession on an annual basis.

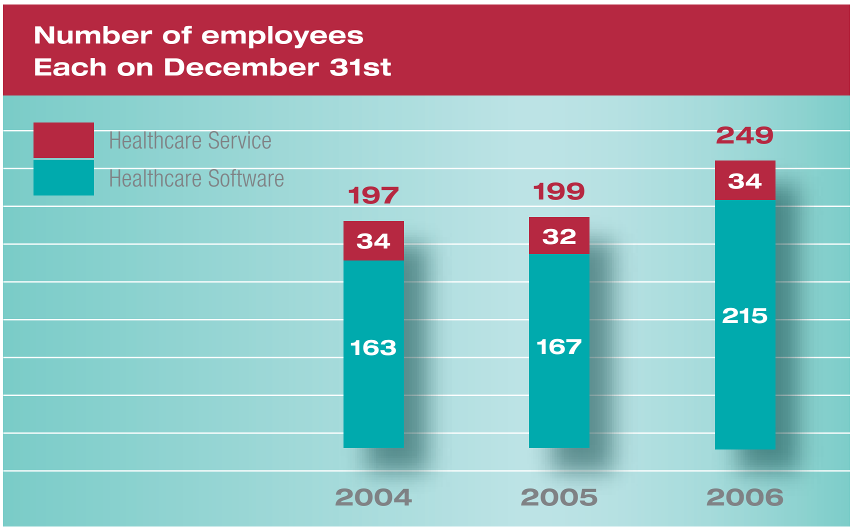
The pre-tax profit for the year after taxes and shares of third parties also improved substantially compared to the previous year to KEUR 704 (2005: KEUR 262), whereby tax burdens of KEUR 327 are contained in this amount. The positive result situation in 2006 was prepared by continual improvements in the expenditure and revenue positions over the past years. However, higher revenues are the main reason for the result improvement, especially in the product areas of NEXUS / MEDFOLIO and NEXUS / MEDICARE.

The segment results also developed in line with expectations. The Healthcare Service Division improved its result from KEUR -22 in the previous year to KEUR 466 (+ KEUR 488). The Healthcare Software Division achieved a result of KEUR –39, but this followed a result of KEUR -123 in the previous year.

The equity capital of NEXUS was KEUR 42,260 on the cutoff date following KEUR 41,300 (previous year), which corresponds to an equity capital rate of 82.0% (previous year: 83.2%).

The amount of liquid funds (including securities) as of 31 December 2006 increased decline to KEUR 17,446 (previous year: KEUR 19,389) and represents 33.8% (previous year: 39.1%) of the balance sheet total. The company thus has sufficient liquidity to achieve its ambitious growth plans. The inflow and outflow of funds is shown in the cash flow statement.

A cash flow from current business activities of KEUR 2,415 was generated in 2006 following KEUR 2,415 the business year 2005.

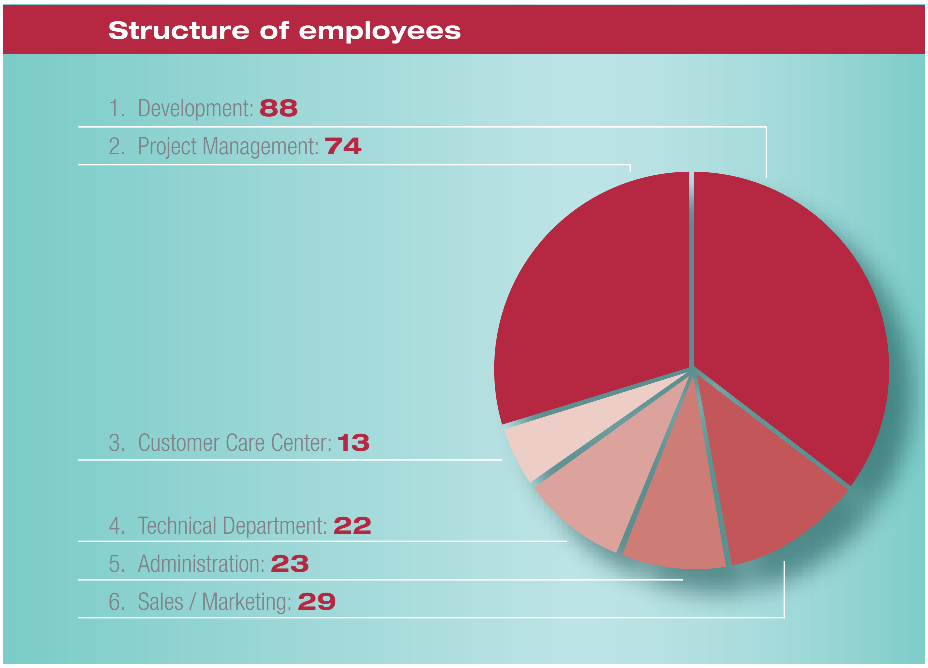


3. Course of Business of the Company Divisions

Health Care Software Division: sales increases and a high number of new projects

The Healthcare Software Division provides software products, which we created, on the international market for institutions in the health care sector.

This division achieved sales of KEUR 21,882 in 2006 following KEUR 15,708 in the previous year. This represents an increase of 39%. Sales from the consolidation of iSOFT Switzerland GmbH are included in these figures. The substantial growth of this sector is especially the result of the good order situation of the NEXUS / MEDFOLIO range of products. A great number of new projects were acquired in 2006, which will run for years in part.



Healthcare Service Division: reorientation of business

The Healthcare Service Division provides IT services for institutions in the healthcare system in Germany. Due to a further reduction in hardware business, KEUR 4,239 was earned following KEUR 5,272 in 2005 and consequently sales declined despite successful new products (-20%) The new, more intensive value-added product portfolio is resulting in a more stable business basis for this division.

4. Personnel Developments

The motivation and ability of our staff are indispensable prerequisites for success. This applies especially to an area so dependent on knowledge such as medical informatics, in which medical and informatics knowledge are combined to create solutions oriented to customer needs. NEXUS puts a great deal of value on efficient personnel management.

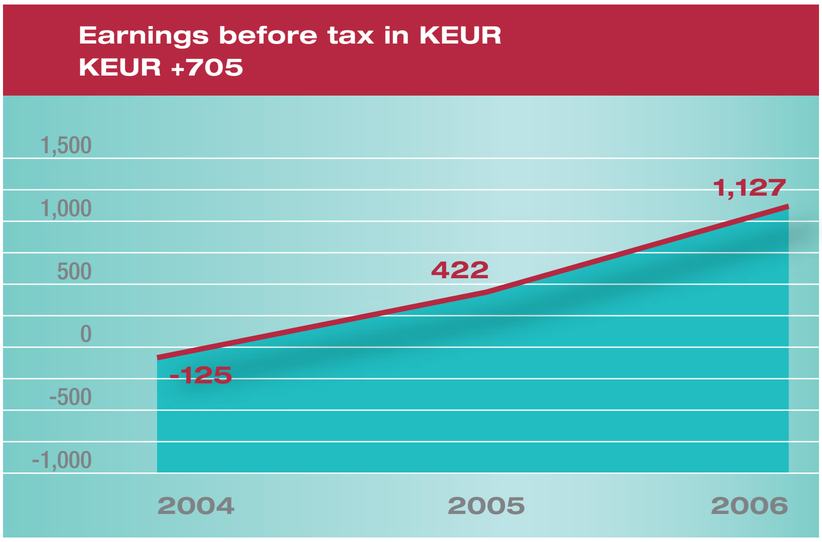
The number of employees and their structure at NEXUS increased and changed substantially due to the integration of the staff from NEXUS Schweiz GmbH. While there were 199 employees in the previous year on the cutoff date of 31 December 2006, there are now 249 people employed in the NEXUS Group. NEXUS Schweiz GmbH employed 44 people on the cutoff date of 31 December 2006.

5. Investments / Acquisitions

The most significant investment in 2006 was the acquisition of the shares of iSOFT Switzerland GmbH. Switzerland. NEXUS AG acquired 100% of the shares from iSOFT Deutschland with signing of the contract on 31 May 2006. The goal of the acquisition was to expand the market position in Switzerland and work in this market as a provider of overall solutions.

The shares were bought for cash. A purchase price of Sfr. 2 was agreed upon. In addition, NEXUS Medizinsoftware GmbH purchased all accounts receivable, which iSOFT group plc and iSOFT Deutschland GmbH had with respect to iSOFT Switzerland GmbH on the cutoff date of 31 May 2006, at a price of Sfr. 1.8 million.

The purchase costs were KEUR 133. The purchase price was split in accordance with IFRS 3/ IAS 38 (revised 2004). KEUR 309 was capitalized as customer relations (regular customers), KEUR 74 as intellectual property rights (technology), KEUR 43 as the margin from open purchase orders and KEUR 1,723 as goodwill.



6. Research and Development

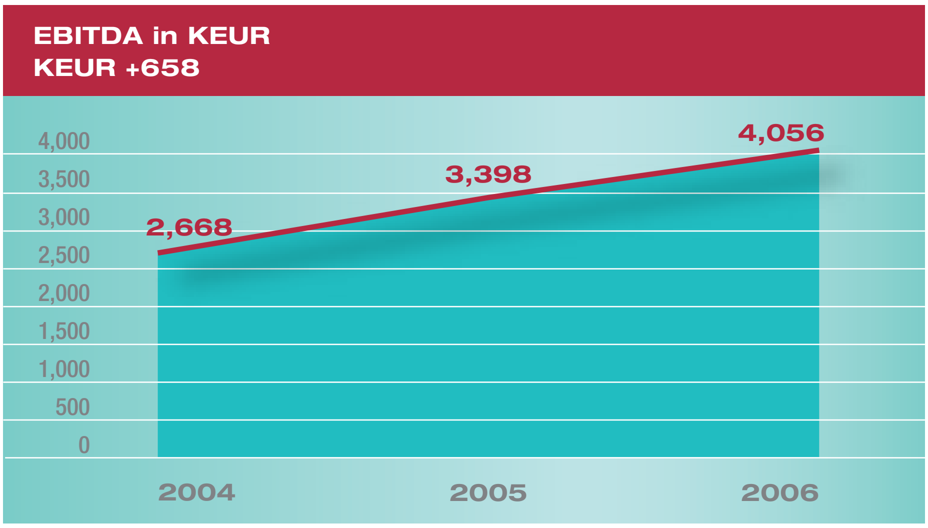
Capitalized development costs remained almost constant at KEUR 3,320 (previous year: KEUR 3,393). The developments include services, which were provided in connection with the standard functions of the products NEXUS / MEDFOLIO, the electronic hospital information system, NEXUS / MEDICARE, the overall system for psychiatric institutions, and NEXUS / INORMS, the radiology information system, and NEXUS / GMT, the system for obstetrics and gynecology solutions. Topics of development shifted somewhat. The company does not conduct any research.

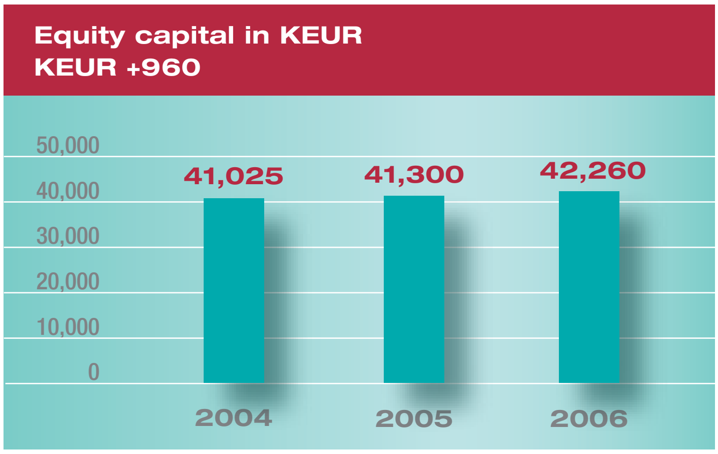
7. Monitoring System according to Section 91 (2) Stock Law and Risk Reporting

1. NEXUS introduced a controlling tool for risk management in the business year 2001. In addition to intensive cost and result management, which is monitored within the framework of management supervisory board meetings at regular intervals, a risk management manual was introduced.

Legal disputes and exchange rate risks were especially observed in the area of customer projects in 2006. Management operates the risk management system according to Section 91 (2) Stock Law, including risk reporting.

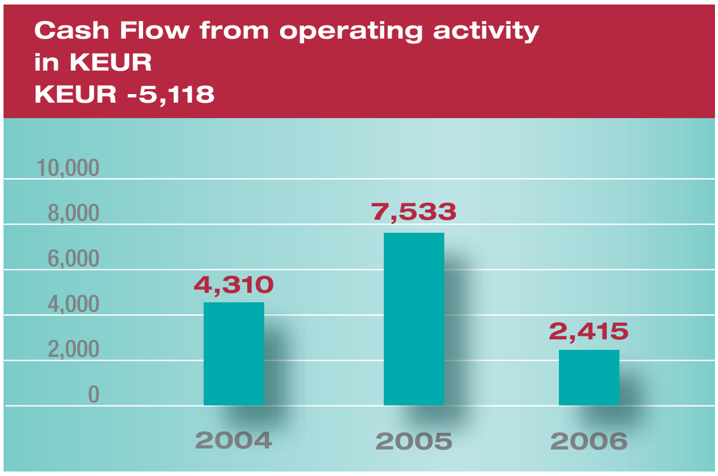
- Implementation problems, especially technical ones, can result in penalties or undoing in the exiting large projects, which could affect revenues and the market reputation negatively.
- Strongly declining customer interest can endanger the business basis of the company.
- Risks also exist during the scheduling and budgeting of developments, which can cause substantial effects on marketing and cost positions if the scheduling and budgeting deviate from original plans.
- If a larger number of core know-how staff members leave the company, this can result in substantial difficulties in operational business dealings, at least in the short term.
- Substantial exchange rate fluctuations and political risks in countries outside of Europe.





As every company, NEXUS is subject to management risks, which are countered with systematic reporting that defines the detailed planning and control processes. The Executive Board and the Supervisory Board have obligated themselves to observe the German Corporate Governance Code as stated in Section 161 of the German Stock Corporation Law.

Reporting, documentation and development of measures are regulated in the risk manual of NEXUS. The Executive Board checks its implementation at regular intervals. A risk sheet was reported to the Executive Board from the offices responsible for it in 2006.



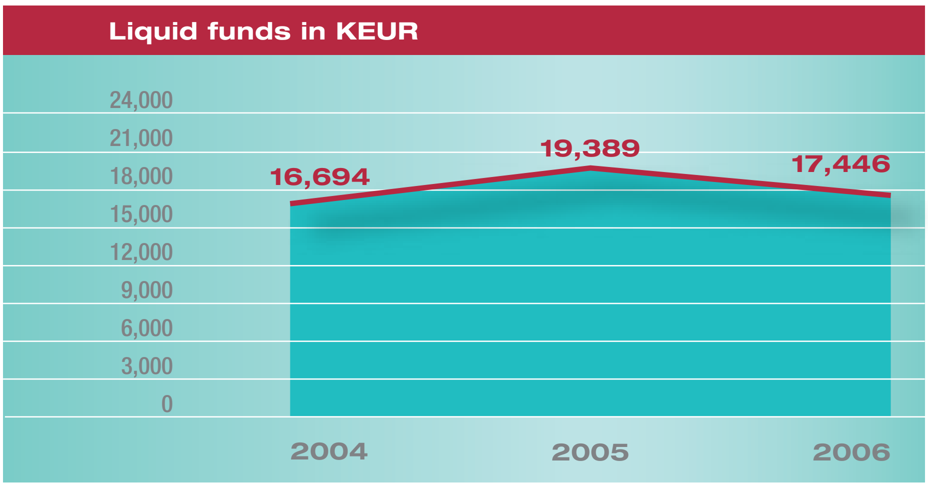
The company handles risks from the use of financial instruments within the framework of a risk management system. Increased attention is paid to the development of business at subsidiaries. They report their results monthly. The Executive Board is directly involved in decisive decisions. The company has a substantial number of securities, which are subject to interest risks and are consequently watched very closely. Investment options are also considered in this respect.

The Group strives to have sufficient means of payment and equivalents for this or have corresponding irrevocable credit lines to fulfill its obligations over the coming years. In addition, the company has approved capital available in the amount of KEUR 6,860 (previous year: KEUR 6,860) for further capital increases.

Non-payment risks or risks that a contractual partner cannot fulfill his payment obligations are controlled via use of loan commitments, credit lines and other control methods within the framework of debt management (e.g., credit investigations).

There are no essential non-payment risk concentrations in the Group. The maximum risk amount results from the book value of the capitalized finance instruments.

Exchange rate risks are created by sales made in Switzerland and the resultant receivables, which are subject to exchange rate fluctuations until payment. Risks from fluctuations of payment flows do not exist due to the high liquidity and the increasingly smooth payment flows.



8. Information about the Stocks, Stockholders and Organs of NEXUS AG

NEXUS AG is listed on the Frankfurt securities market in Prime Standard under securities identification number (WKN) 522090. The subscribed capital in the amount of EUR 13,720,000.00 is composed of 13,720,000 shares of common stock at the nominal accounting value of EUR 1.00 each.

Jupiter Technologie GmbH & Co. KGaA, Schwäbisch-Hall, owns 16.9% of the NEXUS AG stocks.

Refer to the German Stock Corporation Law (subsection 8 ff) for information about the rights and obligations with respect to the common stock. Voting right restrictions and special control rights of individual stockholders do not exist. There is no separation between voting right and stock for the employees with capital shares. Employees can exercise control rights directly. The company has not concluded any significant agreements, which take effect at a change of control. Compensation agreements of the company, which have been concluded with the members of the Executive Board or employees in the case of a takeover offer, do not exist.

More far-reaching bylaws for naming or dismissing Executive Board members do not exist other than the legally applicable one. In addition, there are no essential bylaw provisions, which deviate from legal regulations and flexible regulations. Remuneration of the two Executive Board members is composed of a basic salary and a component with long-term incentives. These components refer solely to stock options. In addition, the company pays a share toward pension benefits.

According to bylaw Section 4 Clause 4, the Executive Board is empowered to increase the capital stock of the company in the period until 31 May 2010 with approval of the Supervisory Board one time or several times up to a total of EUR 6,860,000.00 via issue of new no-par bearer stocks (individual share certificates) against cash and/or capital subscribed in kind.

The Executive Board shall decide about the conditions of the stock issue subject to approval by the Supervisory Board. The empowerment to purchase own stocks requested at the general stockholders meeting is within the legal limits of Section 71 of the German Stock Corporation Law. The amount of purchase of own stocks is maximum 10% of the capital stock. The granting of this empowerment is for the longest period permissible according Section 71 Clause 1 No. 8 of the German Stock Corporation Law. In addition to purchase on the stock market, the company should have the possibility to purchase its own stocks via a public purchase off (tender procedure). The Executive Board is empowered to redeem its own purchased stocks with the approval of the Supervisory Board without a further general stockholders meeting resolution or to sell its own purchased stocks in another way than via the stock market.

The Executive Board is empowered to issue up to 514,615 stock options with stock subscription rights of the NEXUS AG within the framework of a stock option program III and up to 668,000 stock options within the framework of a stock option program IV. The stock options are solely intended for purchase by members of the Executive Board and employees of NEXUS AG as well as members of management and employees of associated companies of the Group according to Section 15 of the German Stock Corporation Law.

9. Outlook for Future Development: Sales Growth, Structure Consolidation and Standardization

The plan for the year 2006 was to secure the progress of the preceding year and create a basis for new growth and improved profitability. This goal was achieved. At the same time, we again succeeded in achieving noticeable growth of sales and a significant improvement in our result. The continually good situation in acquiring new projects should be emphasized here, which has created a very promising starting situation for us in 2007.

The overall business situation does not have a substantial influence on NEXUS AG. The basis of the strategy is the belief that the market for medical software will continue to grow and that NEXUS AG is in a good position with its product portfolio.

Given this prerequisite, we have considerable chance of achieving above-average growth. Market risks exist especially in the field of competition. The market for software systems in the medical area is characterized by tough competition and strong concentration. But it has also been distinguished by considerable consolidation over the past years, whereby the intensity of competition could be reduced in the medium term.

However, if other companies are able to establish their products as standards in spite of the segmented market, the strategy of NEXUS as a supplier to small- and medium-sized companies as well as with an international presence will not be successful.

The planning for 2007, which has already been concluded, shows that further result improvements and substantial sales growth are possible in 2007. Investments will again be made in internationalization, product development and possible in additional acquisition purchases. A clearly positive, operative cash flow can also be expected, and the increased share in maintenance contracts and revenues from partnerships will increase revenues even more. All in all, the Executive Board expects a positive annual result for 2007.

The positive amount of orders on hand and the good contract outlook in international and national business make such expectations realistic.

Growth will also remain our focus in 2007. We have achieved a competitive positive rich in chances, especially with respect to our product portfolio and our market position, over the past years, which we now need to convert into growth. We are well equipped to grow organically and keep a lookout for attractive acquisitions in this turbulent market.

NEXUS is not only considered innovative and with strong products on the market, but we have also received recognition for our ability to integrate new organizations and products into our Group and have them join us in pursuing a common goal. This is an indispensable prerequisite to grow successfully and in the long term in the partially very segmented markets.

NEXUS as a modular, open provider of complete systems is able to provide its customers with target-specific solutions. This positioning has become increasingly established on the market and made it possible for us to win significant market shares and integrate new products quickly. The service-oriented architecture of our solution helps us to do this. Services and functions can also be used very easily in acquired products and consequently make it possible to offer additional functions on the market very quickly. We are going to increasingly offer these additional functions and present attractive solutions to our regular customers over the next years.

We are striving for substantial increases in Group sales, result before taxes and all relevant key figure areas in 2007. We want to continue to give special emphasis to growth, the expansion of our lead in technology and create a solid foundation for 2008,

We are in an excellent position to do this: a modern and very wide-ranged product portfolio, convincing positioning, an extensive customer base and a growth strategy, which is increasingly proving to be on the right path. Given these prerequisites, we are very confident about the next year and fulfillment of our goals.

NEXUS AG complies with this obligation under consideration of the specific circumstances, especially the size of the company, and provides the following declaration:
Declaration in line with section 161 of the stock law in connection with section 15 EC stock law from the executive board and supervisory board of the NEXUS AG, Villingen-Schwenningen: executive board and supervisory board hereby declare that the recommendations of the government commission of the German Corporate Governance Code (state of the consultations of the government commission of the German Corporate Governance Code of 2 June 2005) have been followed and will be followed in the future. The following recommendations explained below are exceptions to that:

Subparagraph 3.8 clause 3 of the code:

The existing D&O insurance policy does not have any deductibles for all persons covered by the insurance. NEXUS AG does not believe that deductibles contribute essentially to compliance with the rules of proper business management and consequently deviates from the code.

Subparagraph 4.2.2 ff. of the code:

Old contracts exists, which were concluded between the code took effect. These contracts do not correspond completely with the rules of the code with respect to payment. The rules of the code will be implemented at the time of additional contract extensions and/or new contracts. Payments to the executive board were not itemized in 2006. There are currently no plans to list remuneration to the Executive Board members individually for 2006 as stipulated in subparagraph 4.2.3 – 4.2.5 of the Corporate Governance Code.

Subparagraph 5.4.1 clause 2 of the code:

There is currently no set age limit for supervisory board members. The oldest person in the supervisory board was 62 in the year 2006. Within the framework of the next bylaw changes at a regular general stockholders meeting, an age limit of 70 will be proposed to be included in the bylaws.

Subparagraph 6.6 clause 1 of the code:

NEXUS AG reports purchases and sales of stocks and derivative financial instruments of the company, which members of management make, in due time in line with the rules of the stock exchange rules and regulations, the Securities Trading Law and the German Corporate Governance Code. In line with the rules of the Securities Trade Law, a report is not issued if the total sum of transactions of a person with management responsibilities does not amount to a sum of EUR 5,000.00 by the end of the calendar year.

Subparagraph 7.1.2 clause 2 of the code:

NEXUS AG publishes its interim reports in line with the stock exchange rules and regulations (subsections 63, 78 of the new stock exchange rules and regulations) and the subsequent certification obligations of the Prime Standards at the latest two months after the end of the reporting period.

The corresponding declaration is published in the Internet at www.nexus-ag.de

Villingen-Schwenningen, March 2007

NEXUS AG
The Executive Board
The Management Board

Healthcare Installations
Germany

Aachen
Achern
Allensbach*
Altenburg*
Altenkirchen
Altötting
Alzey
Amberg
Andernach
Annaberg
Annaberg-Buchholz
Attendorn
Augsburg*
Backnang
Bad Berka
Bad Berleburg
Bad Driburg
Bad Friedrichshall
Bad Hersfeld
Bad Homburg
Bad Liebenstein
Bad Mergentheim
Bad Nauheim
Bad Neustadt
Bad Saarow
Bad Salzungen
Bad Sassendorf
Bad Schussenried
Bad Soden
Bad Zwischenahn
Baden-Baden
Bautzen
Bayreuth
Beckum
Bedburg-Hau
Berg
Bergheim*
Berlin*
Bernburg
Biedenkopf
Bielefeld*
Bietigheim-
Bissingen
Bischofswerda
Böblingen
Bochum
Bochum-
Wattenscheid
Bonn
Borna
Brandenburg*
Braunschweig
Breitenbrunn
Bremen*
Bremerhaven*
Bremervörde
Bretten
Bruchsal
Brühl
Brunsbüttel
Bühl
Bünde
Burg
Burghausen
Burgwedel
Buxtehude
Calw*
Castrop-Rauxel
Celle
Chemnitz
Cottbus
Cuxhaven
Darmstadt*
Deggendorf*
Delmenhorst
Dessau*
Detmold
Dinslaken
Donaueschingen
Dormagen
Dortmund*
Dresden*
Duisburg*
Dülmen
Düren
Düsseldorf*
Ebersberg
Eggenfelden
Eichstätt
Eisenhüttenstadt
Emmendingen
Emmerich
Erbach*
Erding
Erfurt
Erlangen
Eschborn
Eschweiler
Essen*
Essen (Borbeck)
Euskirchen
Eutin
Filderstadt
Flensburg
Forchheim
Forst*
Frankenthal
Frankfurt*
Freiberg
Freiburg*
Freital
Freudenstadt
Friedrichshafen
Fulda
Fürstenfeldbruck
Fürth
Gailingen
Gardelegen
Garmisch-
Partenkirchen
Geesthacht
Gehrden
Geislingen
Gelnhausen
Gelsenkirchen
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Glauchau
Göppingen
Görlitz
Göttingen*
Greifswald*
Greiz*
Grevenbroich
Groß-Gerau
Groß-Umstadt
Gunzenhausen
Güstrow
Haan
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Hagen-Haspe
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Halberstadt
Halle*
Hamburg*
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Hamm*
Hanau*
Hannover*
Hartmannsdorf
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Heidelberg
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Helmstedt
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Heppenheim*
Herborn
Herford
Herten
Herzberg am
Harz*
Hildburghausen
Hildesheim*
Hof
Holzminden
Horb
Höxter
Hoyerswerda
Husum
Illertissen
Iserlohn
Itzehoe
Kaiserslautern
Kandel
Karlsbad-
Langenstein-
bach
Karlsruhe*
Karlstadt
Kassel
Kaufbeuren
Kempten
Kehl
Kenn/Trier
Kiel*
Kirchen
Koblenz*
Köln*
Königs Wusterhausen
Konstanz*
Kösching
Krefeld*
Kronach
Lahnstein
Lahr
Landau
Landsberg*
Landshut
Langen
Langenfeld
Lauterbach
Leer
Leipzig*
Lemgo
Lengerich
Leverkusen
Lichtenstein
Lingen
Lippstadt*
Lörrach*
Lübbecke
Lübben
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Mainburg
Mainz*
Mannheim
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Marktheidenfeld
Marl
Marsberg*
Meisenheim*
Memmingen
Mindelheim
Minden
Moers*
Mönchengladbach
Mühlacker
Mülheim an der Ruhr
München*
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Nagold
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Oberpfalz
Neumünster
Neunkirchen
Neuss
Neustrelitz
Neu-Ulm
Nienburg
Nordhausen
Nördlingen*
Nürnberg*
Nürtingen
Oberhausen*
Oelde
Offenbach
Oldenburg*
Oldenburg i. Holstein
Olpe
Oranienburg
Osterode
Ostfildern*
Paderborn*
Parchim
Passau*
Peine
Perleberg
Pfaffenhofen
Pforzheim
Plochingen
Potsdam
Pritzwalk
Püttlingen
Quedlinburg
Radebeul
Rastatt
Rathenow
Ravensburg
Recklinghausen*
Regensburg
Reichenau
Reinbek
Rendsburg
Reutlingen*
Rheine
Riesa
Rinteln
Rosenheim
Rostock
Rottweil*
Saalfeld/Saale
Saarbrücken*
Saarbrücken-
Dudweiler
Saarlouis
Sachsenhausen
Salzgitter
Salzwedel
Sangerhausen
Schleiz
Schleswig
Schneeberg
Schönebeck
Schorndorf
Schramberg
Schwäbisch
Gmünd
Schwäbisch Hall
Schwarzach im
Pongau
Schwedt
Schweinfurt
Schwerin
Schwerte
Seligenstadt
Siegen
Sindelfingen
Singen
Spaichingen
Speyer
St. Marien
Amberg*
Stade
Stadthagen
Stemwede
Stolberg
Stralsund
Strausberg
Stuttgart*
Sulzbach-Rosenberg
Taufkirchen
Thuine
Troisdorf
Tuttlingen*
Uelzen
Ulm
Unna
Vechta
Viersen
Villingen-
Schwenningen
Warstein
Wasserburg
Weiden
Weilmünster
Weinheim
Weissenau
Weißenburg
Weißenthurm
Wermelskirchen
Wernigerode
Wesel
Westerstede
Westerwald
Wetzlar
Wickede-Wimbern
Wiechern
Wiesbaden*
Wittenberg
Wittingen
Wittlich
Wolfach
Wolfenbüttel
Wolfsburg
Wolgast*
Wriezen
Wuppertal
Wurmlingen
Würzburg*
Zschopau
Zwiefalten

* Several installations per city

Screenshot: Google Earth

Healthcare Installations
Worldwide

Belgium
Brüssel*
Rocourt-Liege

China
Hongkong
Nanjing

Denmark
Veijle

France
Montrouge
Lievin

Great Britain
Aberdeen
Dundee
Inverness
Newcastle upon Tyne
Nottingham

Italy
Bari
Bologna*
Bozen
Bussolengo
Palermo
Ravenna
Rom
San Bonifacio
Tarent
Turin
Vicenza

Kuwait
Kuwait*

Luxembourg
Luxemburg*

Macedonia
Skopje

Netherlands
Alkmaar
Arnhem
Delft
Eindhoven
Gorinchem
Leeuwarden
Nijmegen*
Tilburg*
Zwolle

Norway
Gjøvik
Kristiansand
Oslo
Trontheim

Austria
Bad Ischl
Dornbirn
Eisenstadt
Feldkirch-Tisis
Freistadt
Gmunden
Grieskirchen
Hall in Tirol
Innsbruck*
Kirchdorf a.d. Krems
Kitzbühel
Kufstein
Lienz
Linz*
Mauer
Mistelbach
Reutte-Ehenbichl
Ried im Innkreis
Rohrbach
Schärding am Inn
Schwarzach im Pongau
Schwaz
St. Johann
Steyr
Vöcklabruck
Wien*
Zams

Sweden
Borås
Lund
Sundsvall
Umea

Switzerland
Aarau
Baden
Basel*
Bern
Ehenbichl
Pfäfers
Biel
Fribourg*
Locarno
Luzern*
Maennedorf
Marsens
Meyriez
Nottwil
Rheinfelden
Samedan
Singine
St. Gallen*
St. Pirminsberg
Sursee-Wolhusen
Zihlschlacht
Zürich*

Spain
Cordoba
Fuenlabrada
Reus - Tarragona

USA
Atlanta
Brimingham
Brooklyn
Greenwood
Nyack
Phoenix
Scottsdale
Seattle
South Carolina

* Several installations per city

Screenshot: Google Earth

Consolidated Financial Statements 2006

CONSOLIDATED BALANCE SHEET OF DECEMBER 31, 2006 ASSETS	NOTES	12/31/2005 (ADJUSTED)	12/31/2006
		KEUR	KEUR
LONG-TERM CAPITAL			
I. Intangible assets	(4) (8)		
1. Concessions, industrial property rights, and rights and assets as well as licenses for such rights and assets		158	130
2. Goodwill		6,080	7,749
3. Development costs		8,046	8,311
4. Customer Base / Technology	(3)	2,600	2,656
II. Property, plant and equipment	(6) (8)		
1. Tenant installations		29	5
2. Other equipment, factory and office equipment		434	689
III. Financial assets	(7) (8)		
1. Investments in associates		45	48
2. Other		43	40
IV. Deferred taxes	(9) (24)	4,656	4,559
TOTAL LONG-TERM CAPITAL		**22,091**	**24,187**
SHORT-TERM CAPITAL			
I. Inventories	(10)		
1. Raw materials and supplies		42	75
2. Work in progress		431	195
3. Finished goods		58	42
4. Down payment made		5	–
II. Receivables and other assets	(10)		
1. Trade receivables		4,665	7,175
2. Receivables from associated companies		–	11
3. Other assets		2,601	2,047
4. Tax refund claims		330	368
III. Securities	(11)	16,238	14,691
IV. Cash and cash equivalents		3,151	2,755
TOTAL SHORT-TERM CAPITAL		**27,521**	**27,359**
TOTAL ASSETS		**49,612**	**51,546**

CONSOLIDATED BALANCE SHEET OF DECEMBER 31, 2006 EQUITY AND LIABILITIES	NOTES	12/31/2005 (ADJUSTED)	12/31/2006
		KEUR	KEUR
EQUITY			
I. Subscribed capital	(12 a)	13,720	13,720
II. Capital reserve	(12 b)	38,886	39,131
III. Other reserves	(12 c)	1	1
IV. Equity capital difference from currency translation	(12 d)	8	8
V. Valution reserve for financial instruments	(12 e)	4	-94
VI. Reserve for pensions	(13)	-139	-126
VII. Loss carry-forward		-11,632	-11,370
VIII. Annual net profit / loss		262	704
EQUITY CAPITAL ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT COMPANY		**41,110**	**41,974**
Minority interest		190	286
TOTAL EQUITY		**41,300**	**42,260**
LONG TERM LIABILITIES			
I. Pension provisions	(13)	590	595
II. Other provisions	(9) (24)	1,680	1,921
TOTAL LONG TERM LIABILITIES		**2,270**	**2,516**
SHORT-TERM LIABILITIES			
I. Tax provisions	(14)	1	43
II. Other provisions	(15)	475	715
III. Bank loans	(16)	–	43
IV. Received payments or orders		522	187
V. Trade accounts payable		2,142	2,343
VI. Liabilities with associated companies	(16)	18	15
VII. Other liabilities	(16)	2,884	3,424
TOTAL SHORT-TERM LIABILITIES		**6,042**	**6,770**
TOTAL LIABILITIES AND EQUITY		**49,612**	**51,546**

CONSOLIDATED PROFIT AND LOSS ACCOUNT	NOTES	2005	2006
		TEUR	TEUR
1. Revenue	(19)	**20,983**	**26,121**
2. Increase / decrease in finished goods and work in progress		-418	-152
3. Other capitalized company work		3,393	3,320
4. Other operating income	(20)	1,185	1,117
5. Cost of materials		**5,724**	**5,991**
a) Cost of raw materials and supplies		4,354	4,995
b) Cost for purchased services		1,370	996
6. Personnel expenses	(22)	**11,332**	**14,055**
a) Wages and salaries		9,607	11,817
b) Social costs		1,725	2,238
7. Depreciation and amortization of fixed intangible and tangible assets	(8)	3,498	3,715
8. Other operating expenses	(23)	**4,724**	**6,204**
a) Cost of operation		1,190	1,453
b) Cost of distribution		1,096	1,340
c) Cost of administration		1,433	1,618
d) Other expenses		1,005	1,793
9. Other taxes		10	12
10. Revenue from associated companies	(7)	1	3
11. Other interest and similar income		601	713
12. Profit resulting from sale of other stocks		–	–
13. Depreciation of financial assets and losses resulting from the sale of assets		–	–
14. Interest payable and other similar charges		35	18
PROFIT BEFORE TAX		**422**	**1,127**
15. Income taxes		-333	-327
ANNUAL NET PROFIT		**89**	**800**
Are attributable to:			
16. Stockholders of parent company		262	704
17. Minority interest		-173	96
		89	**800**
Weighted average of issued shares (in thousands)		13,720	13,720
RESULT PER SHARE IN EUR (DILUTED AND UNDILUTED)	(25)	**0.02**	**0.05**

SUMMARY OF THE ENTERED INCOME AND EXPENDITURES IN EQUITY CAPITAL FROM 1 JANUARY UNTIL 31 DECEMBER 2006			
Actuarial profits and losses		-161	24
Currency conversion differences		5	0
Valuation of financial instruments at Fair Value		-113	-158
Deferred taxes		105	49
INCOME AND EXPENSES ENTERED DIRECTLY IN EQUITY CAPITAL		**-164**	**-85**
ANNUAL NET PROFIT		**89**	**800**
OVERALL RESULT OF THE PERIOD		**-75**	**715**

CASH FLOW	NOTES	2005	2006
		KEUR	KEUR
1. CASH FLOW FROM OPERATING ACTIVITIES	(27)		
Profit before tax		422	1,127
Depreciation and amortization of intangible assets and plant, equipment and other fixed assets		3,498	3,715
Other expenses / income with no impact on cash		62	114
Depreciation of financial assets		0	0
Profit / loss from disposal of long term capital		-88	43
Profit / loss from disposal of securities		124	45
Increase / decrease in inventories		145	267
Increase / decrease in trade receivables and other assets that cannot be allocated to investing or financing activities		1,977	-1,894
Changes in provision		104	252
Increase / decrease in trade accounts payable and other liabilities that cannot be allocated to investing or financing activities		737	-2,001
Interest paid		-35	-18
Interest payments received		537	815
Income taxes paid		-182	-207
Income taxes received		232	157
		7,533	**2,415**
2. CASH FLOW FROM FINANCING ACTIVITIES	(28)		
Cash paid for investments in property, plant and equipment / intangible assets		-4,326	-3,777
Cash paid for investments in financial assets		0	0
Purchase of subsidiaries after deduction of acquired payment means		-89	605
Cash received from disposal of securities		18,241	11,197
Cash paid for investments in scurities		-20,511	-9,853
		-6,685	**-1,828**
3. CASH FLOW FROM FINANCING ACTIVITIES	(29)		
Purchase of own shares		-76	0
Compensation of IPO costs		0	131
Amount paid out for redeeming loans		-211	-1,179
		-287	**-1,048**
4. CASH AND CASH EQUIVALENTS AT END OF FISCAL YEAR	(30)		
Cash-relevant changes in cash and cash equivalents (sum of 1 + 2 + 3)		561	-461
Change in currency translation adjustment		5	22
Cash and cash equivalents at beginning of fiscal year		2,585	3,151
		3,151	**2,712**
5. COMPOSITION OF CASH AND CASH EQUIVALENTS			
Cash on hand		3,151	2,755
Bank liabilities due on demand		0	-43
		3,151	**2,712**

DEVELOPMENT OF GROUP EQUITY FOR THE FISCAL YEARS 2004 AND 2006	SUBSCRIBED CAPITAL	CAPITAL RESERVES	OTHER PROVISIONS	EQUITY DIFFERENCE FROM CURRENCY CONVERSION
	KEUR	KEUR	KEUR	KEUR
CONSOLIDATED EQUITY AS OF 1 JANUARY 2005	**13,720**	**38,899**	**1**	**3**
Transfer of 2004 consolidated loss to consolidated loss carry-forward				
Total income entered directly in equity capital				5
Profit before tax 2005				
OVERALL RESULT OF THE PERIOD	**0**	**0**	**0**	**5**
Stock-based payment		62		
Change in shares of third parties				
Costs for certification of new stocks		-75		
CONSOLIDATED EQUITY ON DECEMBER 31, 2005	**13,720**	**38,886**	**1**	**8**
Profit before tax 2005 entered directly in accumulated deficit				
Total income entered directly in equity capital				
Profit before tax 2006				
OVERALL RESULT OF THE PERIOD	**0**	**0**	**0**	**0**
Stock-based payment		114		
Compensation of IPO costs		131		
CONSOLIDATED EQUITY ON DECEMBER 31, 2005	**13,720**	**39,131**	**1**	**8**

RESERVE FOR FINANCIAL INSTRUMENTS	RESERVE FOR PENSIONS	CONSOLIDATED 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
75	**-41**	**-11,162**	**-470**	**41,025**	**440**	**41,465**	**1,718**
		-470	470	0		0	5,142
-71	-98			-164		-164	
			262	262	-173	89	
-71	**-98**	**0**	**262**	**98**	**-173**	**-75**	
				62		62	
				0	-77	-77	
				-75		-75	
4	**-139**	**-11,632**	**262**	**41,110**	**190**	**41,300**	**6,860**
		262	-262	0		0	
-98	13			-85		-85	
			704	704	96	800	
-98	**13**	**0**	**704**	**619**	**96**	**715**	
				114		114	
				131		131	
-94	**-126**	**-11,370**	**704**	**41,974**	**286**	**42,260**	**6,860**

Notes to the consolidated Financial Statements 2006

1. General Information

NEXUS Group (hereafter referred to as NEXUS) develops and sells software and hardware solutions with its corporate divisions "Healthcare Software" and "Healthcare Service" and provides IT services, especially for customers in the health care system. The Group focuses in the area of "Healthcare Software" on information systems for hospitals and psychiatric, rehabilitation and social institutions. The "Healthcare Service" Division provides IT services for IT operation, especially in the health care system.

The registered business address of the Group is:
Auf der Steig 6, 78052 Villingen-Schwenningen, Germany

Nexus AG is registered in the commercial registry of the Freiburg local court under number HRB 602434. NEXUS AG is listed on the securities market and in the Prime Standard segment.

2. Accounting and Valuation Method

2.1 Principles for Creating the Annual Statement

Nexus AG is obligated to prepare an IFRS Group Financial Statement as a corporation listed on the stock market according to section 315a of the German Commercial Code. In addition to IFRS, additional commercial regulations must be applied in line with Section 315a.

The Group Financial Statement of NEXUS AG has been prepared in accordance with the International Financial Reporting Standards (IFRS).

The Financial Statement was prepared with inclusion of past procurement and manufacturing costs, excluding the available financial assets available for sale, which were valuated at the value of the time of first reporting.

LIST OF SUBSIDIARIES CONSOLIDATED	12/31/2005	12/31/2006
	SHARES OF CAPITAL IN %	
FULL CONSOLIDATION		
NEXUS Digitale Dokumentationssysteme Projektentwicklungsges.mbH, Wien	100.00	100.00
NEXUS.IT GmbH SÜDWEST, Villingen-Schwenningen	100.00	100.00
NEXUS.IT GmbH SÜDOST, Villingen-Schwenningen	50.20	50.20
NEXUS.IT GmbH NORD, Villingen-Schwenningen	100.00	100.00
NEXUS Medizinsoftware und Systeme AG, Kreuzlingen	99.98	99.98
NEXUS Italia S.r.l., Bologna	80.00	80.00
INOVIT Radiology Software GmbH, Ismaning	91.49	91.49
NEXUS / MEDICARE GmbH, Ismaning	100.00	100.00
NEXUS / GMT GmbH, Frankfurt am Main	100.00	100.00
iSOFT Switzerland, Schwerzenbach (heute: NEXUS Schweiz GmbH, Schwerzenbach)	–	100.00
EQUITY-CONSOLIDATION		
G.I.T.S Gesundheitswesen IT-Service GmbH, Fürstenfeldbruck	49.00	49.00
Medidata GmbH, Berlin	25.00	25.00
VEGA Software GmbH, Aachen	30.00	30.00
INVESTMENTS		
Medizin Forum AG, Ober-Mörlen	15.63	15.63

Report Currency

The Group Financial Statement is shown in euros. If not otherwise noted, all values are rounded to thousands (KEUR).

Consolidated Group

In addition to the NEXUS AG as parent company, all operatively active domestic and foreign subsidiaries are included in the Group Financial Statement, for which NEXUS AG has the majority of voting rights directly or indirectly. Three affiliated companies were included in the balance sheets according to the equity method (cf. page 40).

Consolidation Principles

The Annual Financial Reports are shown in uniformly prepared, consolidation-capable financial reports in line with the International Financial Reporting Standards (IFRS). All companies included by 31 December 2006 have the calendar year as business year.

iSOFT Switzerland GmbH, Schwerzenbach (today: nexus Schweiz GmbH), acquired in 2006, is consolidated in the Group starting on 31 May 2006. The business year 2006 of nexus Schweiz GmbH is a short business year from 1 May 2006 to 31 December 2006.

The purchase method is used for company purchases. Capital is consolidated at the time, at which ownership became effective. The shown equity capital of the acquired companies is offset against the book value of participation. The asset values as well as debts and possible debts are included with their time values. For companies, which were acquired after 31 March 2004, IFRS 3 (Business Combinations) is to be used. Within the framework of an identification process, balance sheets did not previously include IFRS 3, but intangible assets were capitalized if it was possible to carry them in the balance sheet. In addition, possible debts should be considered. Remaining value of potential earnings in excess of the book value is capitalized as goodwill according to IFES 3.

The operating result shares, which other companies are entitled to, are shown separately below the profit and loss according or their shares are shown as separate positions within equity capital.

Purchase of iSOFT Switzerland GmbH is carried in the balance sheets according to the purchase method. Expenses and revenues starting from 1 June 2006 are included in the Group Financial Statement.

Debts and liabilities between the consolidated companies are offset within the framework of debt consolidation. Internal sales have been eliminated within the framework of expenditure and revenue consolidation. Elimination of interim results was not required.

The consolidated profit and loss account is prepared as completely consolidate profit and loss account according to the total costs procedure, in which all revenues and expenses are offset between the included companies.

The conversion of foreign financial statements in other currencies was undertaken according to IAS 21 with the concept of functional currency. The functional currency is the respective country currency for all companies. Any conversion differences resulting from that are entered in equity capital without affect on net income. The balance sheets of the two Swiss Group Companies are accordingly converted with the cutoff date exchange rate of 1.6077 Sfr / Eur, the profit and loss account with the average exchange rate of 1.5728 Sfr / Eur, and the equity capital at historic rates.

2.2 Change of the Accounting and Valuation Methods

The applied accounting and valuation methods correspond in principle to the methods used in the previous year.

IAS 19 Employee Benefits

Another option for treating actuarial profits or losses was created with revision of IAS 19. The Group has applied IAS 19 since 2005 and enters the actuarial profits and losses in equity capital without affecting the operational result in the period they occur after consideration of deferred taxes.

In addition, the Group used the new / revised standards, which are binding for business years beginning on or after 1 January 2006.

Changes in the balancing and assessment methods result from the application of the following new or revised standards:

- IAS 21 "Effects of Change in Foreign Exchange Rates" (revised)
- IAS "Financial Instruments: Strategy and Valuation (revised)
- IFRIC 4 "Determining Whether an Arrangement Contains a Lease"

IAS 21 Effects of Change in Foreign Exchange Rates (revised)

The Group has used the revised IAS 21 since 1 January 2006. Consequently, any conversion differences, which result from monetary positions, which is part of the net investment of the reporting company in a foreign business operation, is entered in a separate position of equity capital independent of the currency of the monetary position. The companies, which have such a monetary position in the form of an outstanding debt or liability to a foreign company, can be any one of the subsidiaries of the Group. Application of the revised IAS 21 did not affect the Group Financial Statement as of 31 December 2006.

IAS 39 Financial Instruments: Strategy and Valuation

Three changes of IAS 39 were published in 2005, which are to be applied for the first time for business years, which begin on or after 1 January 2006. The changes affect financial guarantees (financial guarantees are solely in the application area of IAS 39 following the revision of IAS 39 and IFRS 4 "Financial Guarantee Contracts"), the safeguarding of payment flows for the expected Group-internal transaction and application of the Fair Value Option. The changes of IAS 39 did not affect the Group Financial Statement as of 31 December 2006.

IFRIC 4 Determining Whether an Arrangement Contains a Lease.

IFRIC 4 contains criteria for identifying leasing elements in contracts, which are not formally called leasing contracts. Contractual elements, which fulfill the criteria of IFRIC 4, are to be carried in the balance sheets as leasing contracts according to the regulations of IAS 17. Application of this interpretation did not affect the Group Financial Statement as of 31 December 2006.

IFRIC 5

Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds as well as IFRIC 6 Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment do not apply to the business transactions of NEXUS AG and consequently are not applied.

IFRS and IFRIC not applied yet

The Group has not applied the following standards and IFRIC interpretations, which have already been published but have not taken effect yet, in advance. NEXUS AG intends in principle to consider all standards at the time of the initial, obligatory application. The IFRS and IFRIC interpretations adopted by the EU within the framework of the comitology process, which have not taken effect yet:

Changes of IAS 1 "Presentation of Financial Statements"

Information results from this change, which make it possible to for those receiving the financial statement, to evaluate the goal, methods and processes of capital management. The additional information obligations, which resulted from the change of IAS1 "Presentation of Financial Statements", were not considered in the Group financial statement. The changes are to be applied for business years, which begin on or after 1 January 2007.

IFRS 7 "Financial Instruments: Disclosures"

IFRS 7 regulates disclosure obligations about financial instruments both from industrial companies as well as banks and similar financial institutions. IFRS 7 replaces IAS 30 "Disclosures in the Financial Statements of Banks and Similar Financial Institutions" as well as the disclosure obligations in IAS 32 "Financial Instruments: Disclosure and Presentation", make it possible to for those receiving the financial statement, to evaluate the significance of financial instruments and the earning power of the Group as well as the type and extent of the risks resulting from these financial instruments. IFRS 7 is to be applied for business years, which begin on or after 1 January 2007. Application of this standard will result in a substantial expansion of the information in the appendix about financial instruments.

IFRIC 7 "Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies"

From IAS 29 "Financial Reporting in Hyperinflationary Economies": This interpretation contains explanations about IAS 29 about the issue of adjusting the Annual Financial Statement for the case that the function currency of a company is classified as highly inflationary for the first time. IFRIC 7 is to be applied for the first time for business years, which begin on or after 1 March 2006. It will probably have no application in the Group Financial Statement.

IFRS 8 "Scope of IFRS 2"

The changes are to be applied for the first time for business years, which begin on or after 1 May 2006. The regulations of the revised IFRIC 8 will probably not affect the Group Financial Statement.

IFRS 9 "Reassessment of Embedded Derivatives"

IFRIC 9 deals with the special aspect of carrying embedded derivatives according to IAS 39 in the balance sheet. According to IFRIC, the evaluation of whether an embedded derivative should be carried in the balance sheet separate from the basic contract must be made in principle at the time of contract conclusion. Reevaluation during the contractual period is only permitted if the basic contractual conditions and consequently the payment flows change significantly. When this is done, focus must be on the scope in which the payments from the embedded derivative and/or the basic contract changed with respect to the original payment flows. IFRIC 9 is to be applied for business years, which begin on or after 1 January 2007, whereby voluntary application earlier is recommended. IFRIC 9 will probably not have any essential affects on the Group Financial Statement.

The IFRS and IFRIC interpretations, which have not taken effect yet and which have not adopted by the EU yet within the framework of the comitology process:

IFRS 8 “Operative Segments“

IFRS 8 replaces IAS 14 “Segment Reporting” and adapts the standards of IASB to the regulations of the Statement of Financial Accounting Standards (SFAS) 131. IFRS 8 requires disclosure of financial and descriptive information about segments with mandatory reporting. Segments with mandatory reporting are either operative segments or combinations of operative segments, which fulfill specific criteria. Operative segments represent components of a company, for which financial information is available that is checked regularly by top management of the operative area to decide how resources are distributed and performances evaluated. In general, financial information must be reported on the basis of internal control concept, which is used in evaluating the operative segments (management approach). The standard is to be applied for business years, which begin on or after 1 January 2009. Earlier application is permitted. The Group had not yet completed the analysis of the effects of this change at the time of preparing the Group Financial Statement.

IFRIC 10 “Interim Financial Reporting and Impairment”

In the interpretation, the supposed contradiction between the regulations of IAS 34 “Interim Financial Reporting” and those in other standards is dealt with concerning entry and the repeated use of impairment of value expenses in the financial report for goodwill and certain financial assets. IFRIC 10 stipulates that a company may not repeated use impairment of value entered in an earlier interim period for goodwill for held equity capital instruments or a financial asset held for procurement costs and that a company may not extend this resolution via an analogy to other areas with possible contradictions between IAS 34 and other standards. IFRIC 10 takes effect on or after for business years, which begin on or after 1 November 2006. Earlier application is recommended. IFRIC 10 will probably not have any affects on the Group Financial Statement.

IFRIC 11 “IFRS 2: Group and Treasury Share Transactions”

IFRIC 11 answers the question how IFRS 2 “Share-based Payment” is to be applied to payment agreements, which contain a company’s own equity capital instruments or the equity capital instruments of another company of the same Group. IFRIC 11 takes effect for business years, which begin on or after 1 March 2007. Earlier application is permitted. IFRIC 11 will probably not have any affects on the Group Financial Statement.

IFRIC 12 “Service Concession Arrangement”

The scope of IFRIC is limited to the carrying in the balance sheet of service licenses (e.g., for operating highways or hospitals) from the view of the license holder and solely treats agreements with government grantors of licenses. Application of IFRIC 12 is mandatory for business years, which begin on or after 1 January 2008. This interpretation is not applicable to the business of the Group.

2.3 Essential Estimates

The most important assumptions with respect to the future as well as any other essential sources of estimate certainties on the cutoff date, based on which a substantial risk exists that a substantial adjustment of accounting value of asset values and liabilities will be required, are explained below.

Depreciation of Goodwill

The Group checks at least once annually whether goodwill has depreciated. This requires estimation of the utilization value of the units generating payment means, to which the goodwill is allocated. To estimate the utilization value, the Group must also select an appropriate discount rate allowed on advance payment of taxes to determine the cash value of this cash flow. The accounting value of the goodwill was KEUR 7,749 on 31 December 2006. You can find further details about this in the Appendix under point 4.

Active deferred taxes

Active deferred taxes are entered for all losses carried forward for taxes in the amount, in which it is probable that the income to be taxed for this is available, so that losses carried forward can actually be used. Competent authority discretion of company management is to be used for determining the amount of active deferred taxes on the basis of the expected fulfillment time and the amount of the income to be taxed in the future as well as the future tax planning strategies. NEXUS also acquired tax losses to be carried forward via company acquisitions, which can be offset unrestricted with profits in the future. As of 31 December 2006, the value of the considered tax losses was KEUR 20,937 and the value of tax losses not considered was KEUR 38,980. Additional details are provided in Appendix item 9.

Pensions and other claims payments after termination of employment

The expenses from performance-oriented plans are calculated using actuarial principles. The actuarial assessment is made based on the assumptions with respect to the discount rate allowed on advance payment of taxes, future wage and salary increases, mortality and future pension increases. Corresponding to the long-term orientation of these plans, such estimates are subject to substantial uncertainties. The accruals for pensions and similar obligations were KEUR 595 on 31 December 2006. You can find further details about this in the Appendix under point 13.

Development costs

Development costs are capitalized in line with the balance sheet and estimation method explained Appendix item 2.4. For the purpose of determining capitalized amounts, company management should make assumptions about the amount of the expected, future cash flow from assets, the discount rate allowed on advance payment of taxes, and the time period inflow of the expected, future cash flow, which generate the assets. According to the best possible estimates, the accounting value of the capitalized development costs was KEUR 8,311 on 31 December 2006 (2005: KEUR 8,046).

2.4 Summary of the Essential Accounting and Valuation Method

Balance sheet format

Asset and debt items in the balance sheet are classified according to their time to maturity. The Profit and Loss Account was drawn up according to the total cost type of short-term results accounting.

Financial instruments

The financial instruments shown in the balance sheet (financial assets and financial liabilities) in the sense of IAS 32 and IAS 39 cover specific financial assets, receivables from deliveries and services, participating shares, securities, liquid funds, short-term loans, receivables from deliveries and services as well as certain other assets and liabilities based on contractual agreements. In line with IAS 39, financial assets and liabilities are classified in the following categories: a) financial investments to be held until final maturity, b) financial assets evaluated as revenue at the time indicated, c) financial assets available for sale, and d) loans and receivables extend by the NEXUS Group.

At initial entry in the balance sheet, these financial assets or liabilities are shown with procurement costs, which correspond to the value at the time of the counter-performance with inclusion of the transport costs. This does not apply to category b). Entry is on the trading day on principle. Subsequent assessment varies for the different categories of financial assets or liabilities and is described within the framework of the accounting methods of the respective balance sheet positions. Profits and losses from changes of the current market value of financial assets available for disposal are entered directly in equity capital without affecting the operating result.

Although the Group is active internationally, most of its business is in Europe and consequently it only has slight risks due to changes of exchange rate. The Group does not use any derivative financial instruments.

Intangible Assets

Acquired intangible assets are evaluated in the first-time report about procurement costs. The procurement costs of intangible assets, which were acquired at a company merger, correspond to the adjusted current value at the acquisition time. Intangible assets are shown if it is probable that the future economic benefit allocated to the asset will go to the company and that manufacturing costs of the asset can be measured reliably. After first-time reporting, intangible assets are reported with their procurement or manufacturing costs minus every cumulated depreciation and all cumulated expenditures for impairment of value. Self-procured intangible assets are not capitalized with exception of capitalized development costs. Costs connected with that are recorded as affecting operational results in the period, in which they occur.
Whether intangible assets have a limited or unspecified utilization period must be determined first. Intangible assets with limited utilization period are written off via the economic utilization period and examined for possible reduction of value when there is reason to suspect that the intangible asset could have declined in value. The depreciation period and the depreciation method are checked for an intangible asset with a limited utilization period at least until the end of each business year. If the expected utilization period of the asset changed, a different depreciation period or a different depreciation method is selected. Such changes are treated as changes of an estimate. Write-offs on immaterial assets with limited period of use are shown in the Profit and Loss Account under amortizations.

For intangible assets with unspecified utilization period, tests are conducted for checking the remaining value for the individual assets or on the level of the unit generating the payment means at least once yearly. These intangible assets are not written off systematically. The utilization period of an intangible asset with unspecified utilization period is checked once annually to determine whether the estimate of an unspecified utilization period remains justified. If this is not the case, the estimate is changed from an unspecified utilization period to a limited utilization period on a tentative basis.

Profits or losses from the writing off of intangible assets are determined between the net capital gain and the accounting value of the asset and are entered affecting operational results in the period, in which the item was written off. The intangible assets contain maintenance contracts/customer master, software, technologies, goodwill and development costs.

a) Maintenance Contracts, Customer Master

The society acquired software maintenance contracts in 2004 and 2005, which were capitalized as immaterial assets according to current market value in line with IFRS 3 and which will be written off linearly corresponding to their utilization period over the next seven to ten years. The intangible asset of customer master was identified within the framework of the acquisition of iSoft Switzerland GmbH, Schwerzenbach. This was capitalized at the cash value. A period of use of 10 years was assumed. The write-off method corresponds to the expected consumption of the future economic benefit of the asset.

b) Software

Software is capitalized with its procurement costs and shown as an intangible asset insofar as these costs are not an integral component of associated hardware. Software will be written off linearly during a period of four years.

c) Technologies

Technology-related assets refer to process and development know-how, which NEXUS AG acquired within the framework of a share deal in 2005 and 2006 and were valued according to fair value in line with IFRS 3. Technologies are available to the Group in the long term and will be written off linearly over a period of 10 or 15 years.

d) Purchased Development Costs

NEXUS AG purchased development costs within the framework of a share deal and capitalized them at the adjusted current value in line with IFRS 3. They will be written off during a period of five years.

e) Goodwill

The excess of procurement costs of a company at the adjusted current values over the sum of identifiable assets and debts at the purchase time is called goodwill and entered in the balance sheet as an asset.

After first-time reporting, the goodwill is evaluated at the procurement costs minus the cumulated expenditures for depreciation. Goodwill is tested for depreciation at least once annually if circumstances or changes in conditions indicate that the accounting value could have declined.

For the purpose of checking whether deprecation exists, the goodwill, which was acquired at company merger, must be allocated from the takeover day to each of the units generating payment means or groups of units generating payment means, which should reap benefits from the synergies of the merger. This applies independent of whether other assets or debts of the Group have already been allocated to these units or groups of units. Each unit or group of units, to which goodwill is allocated:

- Represents the lowest level within the group, on which goodwill is monitored for management purposes
- Is not larger than a segment, which is based on the primary or secondary reporting format of the Group as is set according to IAS 14 “Segment Reporting”.

The depreciation is determined by the calculation of the amount, which the unit generating payments means (group of units generating payments means) can achieve. If the amount, which the unit generating payments means (group of units generating payments means) can achieve, is less than the accounting value, an expenditure for depreciation is entered. In cases, in which the goodwill represents a part of the unit generating payments means (group of units generating payments means) and part of this business area is sold, the goodwill attributed to the sold business area is included as a component of the accounting value of the business area in determining the result from the sale of the business area. Goodwill, which is sold in this way, is determined on the basis of the ratio of the sold business area to the part of the unit generating means of payment not sold.

Goodwill written off unbudgeted is no longer subject to appreciation.

f) Self-Created Development Costs

Development costs are capitalized as intangible assets with their manufacturing costs insofar as the following prerequisites are fulfilled:

- The technical feasibility of completion of the intangible asset
- The intention to complete the intangible asset
- The ability to use or sell the intangible asset
- The intangible asset will probably provide economic benefits
- The availability of adequate technical, financial and other resources to complete the development and use or sell the asset
- The ability to determine expenses reliably for the intangible asset during its development

If these prerequisites do not exist, the development costs are entered affecting the result in the year they occurred.

The manufacturing costs cover all cost directly attributable to the development process as well as appropriate parts of development-related overhead costs. Financing costs are not capitalized. Depreciation is written off linearly during a period of four years starting in the subsequent year. The write-off of the development costs are contained in the amortizations of intangible assets and fixed assets in the Profit and Loss Account.

Der The capitalized amount of development costs is checked for depreciation once annually if the asset has not been used yet or if there are indications of depreciation within a year.

Fixed assets

Fixed assets are shown at the procurement or manufacturing costs minus cumulated, regular amortization and cumulated depreciation. The original procurement costs of fixed assets cover the purchase price as well as all directly attributable costs to use the asset in operations. The manufacturing costs of fixed assets cover expenses, which arise due to consumption of goods and use of services for the manufacturing. In addition to itemized costs, this includes an appropriate share of the required overhead costs. Third-party capital costs are recorded in the period, in which they occur.

Regular write-offs are made under consideration of normal operational life. The linear depreciation is used as depreciation method.
The estimated period of use is:

1. For renter installations: 5 years
2. For other equipment, factory and office equipment: 3 to 8 years

The accounting value of plants, equipment and other fixed assets are checked if there are indications that the accounting value of an asset exceeds its attainable amount.

Plant, equipment or other fixed assets are either written off at retirement or if no economic benefit can be expected from further use or sale of the asset. Profits or losses from the writing off of the asset are determined between the net capital gain and the accounting value of the asset and are entered in the profit and loss account with affects on the operational results in the period, in which the item was written off.

The remaining value of the assets values, utilization periods and depreciation methods are checked at the end of each business year and adapted if necessary.

When more extensive maintenance work is performed, the costs are entered in the accounting value of the plant, equipment or other fixed assets as replacement if the reporting criteria have been fulfilled.

Financial Assets

The shares in affiliated companies are carried in the balance sheet according to IAS 28 in line with the equity method. An affiliated company is a company, over which the Group has decisive influence and which is neither a subsidiary nor a joint venture.

According to the equity method, the investments in associates are entered in the balance as procurement costs plus the changes of the share of the company in the net worth of the affiliated company following acquisition. The goodwill connected with the associate is contained in the accounting value of the share and is not written off systematically. When the equity method is used, the Group determines whether consideration of additional expenditure for depreciation is required with respect to the net investment of the Group in the affiliated company. The profit and loss account contains the share of the Group in the success of the associate. Changes entered directly in the equity capital of the associate are also entered by the Group in the amount of its share directly in equity capital and – if required – in the list about changes of equity capital.

The balance sheet date and the accounting and estimation methods are identical for similar business transactions and events of the associate and the Group. The other financial assets (loans) are carried in the balance according to IAS 39 at their carried forward procurement costs.

Deferred taxes

Deferred taxes are determined using accounting-based liabilities method on all temporary differences existing the reported value of an asset or a liability in the balance sheet and the taxable value on the balance sheet date.

Deferred tax liabilities are entered for all temporary differences to be taxed. The following exceptions apply to this:

- The deferred tax liability from the first-time reporting of goodwill or asset or liability for a business transaction, which is not a company merger and which does not influence either the commercial period result or the result to be taxed, may not be shown.
- The deferred tax liability from temporary differences to be taxed, which are related to participation in subsidiaries, associates and shares in joint ventures, may not be shown if the temporal course of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred claims under tax relationships are entered for all temporary differences liable for deductions, taxable losses carried forward not used yet, and tax credits not used yet in the measure, in which it is probable that the income to be taxed will be available against which the temporary differences liable for deductions, taxable losses carried forward not used yet, and tax credits can be used. The following exceptions apply to this:

- Deferred tax claims from temporary differences liable for deductions, which result from the first-time reporting of an asset or liability for a business transaction, which is not a company merger and which does not influence either the commercial period result or the result to be taxed, may not be shown.
- Deferred tax claims from temporary differences that can be deducted, which are relation with participation in subsidiaries, associates and shares in joint ventures, may only be shown in the scope, in which it is probable that the temporary differences will be reversed in the foreseeable future and a sufficiently large result to be taxed will be available against which the temporary differences can be used.

The accounting value of the deferred tax claims is checked on each balance sheet date and reduced in the amount, in which it is no longer probable that a sufficiently large result to be taxed will be available against which the deferred tax claim can be used at least in part. Not shown deferred tax claims are checked on each balance sheet date and shown in the amount, in which it has become probable that a result to be taxed in the future will make it possible to use the deferred tax claim.

Deferred tax claims and liabilities are measured using the tax rates, the validity of which is expected for the period in which the asset will be realized or a debt paid. When this is done, the tax rates (and tax regulations) are used as a basis, which are valid or announced for the balance sheet date. Deferred taxes, which refer to positions that are entered directly in equity capital, are entered in equity capital and not the in profit and loss account. Deferred tax claims and deferred tax liabilities are offset if the Group has a cause of action for offsetting actual tax refund claims against actual tax liabilities and these refer to revenue taxes of the same tax subject, which were levied by the same tax authority.

Inventories

Inventories include raw materials, consumables and supplies as well as incomplete performances, finished and unfinished products are evaluated with lower value from the procurement or manufacturing costs and the net sale value. In addition to itemized costs, the manufacturing costs contain an appropriate share of the required material and product overhead costs as well as product-related depreciation, which can be allocated directly to the performance process. Costs of administration are considered insofar as then can be attributed to the performance process. Interest rates on borrowings are not capitalized. Inventories, which cannot be sold, are written off completely. The net sale value is the estimated sale price, which can be expected in a normal business transaction, minus the estimated costs until completion and the estimated, required sale costs.

Receivables and Other Assets

The receivables and other assets, which normally have a maturity period of 30-90 days, are entered with the original invoice amount minus valuation adjustment for uncollectible receivables. Value adjustment is performed is a substantial and objective indication exists that the Group will not be able to collect the receivables. Receivables are written off if they cannot be collected.

Securities

Securities were classified as “financial assets available for sale”. At initial entry in the balance sheet, these are shown with procurement costs, which correspond to the value at the time of the given counter-performance. Transaction costs are included in the initial assessment. After the initial inclusion, securities are assessed with their adjusted current value without deduction or with any transaction costs at their sale. The adjusted current value at the time is based on the publicly listed prices of a securities market. The non-realized profits or losses are entered directly in equity capital in the list via the changes of the equity capital until the financial asset is sold, redeemed or otherwise disposed of, or until an impairment of the financial asset was determined, so that the previously entered cumulated profit or loss is to be included in the period result at this time.

Cash on Hand

Liquid funds are composed of cash on hand and credit balances at banks.

Depreciation of Assets

The Group evaluates on each balance sheet date whether indications exist that an asset could have depreciated. If such indications exist or if annual checking of an asset for depreciation is required, the Group estimates the attainable amount of the respective asset. The attainable amount of an asset is the higher of the two amounts from the adjusted current value of an asset or a unit generating payment means minus sales costs and the utilization value. The attainable amount should be determined for each individual asset unless an asset does not generate any injection of funds, which are mainly independent from other assets or other groups of assets. If the accounting value of an asset exceeds its attainable amount, the asset is considered depreciated and written off at its attainable amount. The estimated cash flows are discounted at their cash value (based on a discount rate allowed before payment of taxes) and are used for determining the utilization value, which reflects current market expectations with respect to the rate of interest effect and the specific risks of the asset. Expenditures for depreciation of the business areas to be carried forward are entered in the expenditure categories, which correspond to the function of the depreciated asset. A check is made on each reporting cutoff date with exception of the goodwill to determine whether indications exist that an expenditure for depreciation, which was entered in previous reporting periods, no longer exists or could have decreased. If such an indication exists, the attainable amount is estimated. A previously entered expenditure for depreciation should be canceled if estimates have changed since the entry of the last expenditure for depreciation, which was used for determining the attainable amount. If this is the case, the accounting value of the asset should be increased to its attainable amount. This increased accounting value may not exceed the accounting value, which would result after consideration of write-offs if no expenditure for depreciation had been entered in previous years. Such depreciation should be entered in the period result immediately unless the asset is entered at a newly estimated amount. In this case, the value adjustment should be treated as a value increase due to revaluation. After a value has been adjusted, the expenditure for depreciation should be adjusted in future reporting periods to split the corrected accounting value of the asset, minus any remaining accounting value, among its remaining utilization period.

Stock Options

In line with IFRS 2, the company determines the adjusted current value of the granted stock options and splits them over the servicing period, which corresponds to the contractually agreed-upon qualifying periods of two, three and four years. The allocation is entered on one hand as personnel expenditures and on the other hand as investment in capital reserves.

Pension Accruals

The Group has three pension plans. Performance is not financed via a fund. Expenditures for the services granted within the framework of the performance-oriented plans are determined separately for each plan using the potential pension cash value method (IAS19). Actuarial profits or losses are entered neutrally in equity capital after consideration of deferred taxes without affecting the operational result. The amount to be entered as liability from a performance-oriented plan is the sum total of the cash value of performance-oriented obligation and the actuarial profits and losses entered, which do not affect profit. The reference tables 2005 G of Heubeck-Richttafeln-GmbH are used as biometric calculation basis (death and disability probability, probability of being married at time of death).

Other Accruals

Accruals are created if a current obligation exists with respect to a third party from a past event, which will probably result in outflow of resources in the future and the amount of which can be estimated reliably. Accruals for outlays are not shown. If an essential interest effect results from the fulfillment time of the obligation, the accrual is carried in the balance sheet at cash value. An increase of accruals over time are entered under financial expenditures.

Liabilities

After their initial recording, all financial liabilities, which are not derivative liabilities, are carried in the balance sheet at carried forward procurement costs.

Possible Liabilities

Possible liabilities are not shown in the Group Financial Report until their use becomes probable. They are shown in the Group Financial Report if their use is not improbable.

Sales

The Group sells software licenses and services connected with that, which serve for implementation, maintenance and other services. The company normally grants its customers use of the software for unlimited time. The Group also sells hardware. Revenues are entered when it is probable that the economic benefits will flow to the Group

and the amount of revenue can be determined reliably. In addition, the following reporting criteria must be fulfilled for realizing revenue:
License sales are realized in the amount of the agreed-upon license fee according to IAS 18. Realization is performed at delivery if nothing else was agree upon in the contract, because no essential modifications are required. Consulting services are invoiced monthly according to work performed. Maintenance services are invoiced in installments during the service period.

Sales of consulting or other services are normally realized in multiple component contracts independent of the realization of software sales, because these services are not essential for the software functions. Revenues for consulting and other services are realized as soon as they are provided. Realization is normal on the basis of performed and measured hours and refundable expenses. The value of a maintenance element is measured according to contractually set rates. The software share is realized with the residual value.

Foreign Currencies

Foreign currency transactions are entered in the report currency in that the foreign currency is converted at the exchange rate between the report currency and the foreign currency valid at the time of the business transaction. Conversion differences from processing monetary positions as well as from the cutoff date evaluation of exchange rates, which differ from those original entered during the period, are entered as expenses or revenue in the period, in which they occurred.

Operating Leasing Relation

A leasing relation is classified as an operating leasing relation if all risks and chances associated with ownership remain with the lessor. Leasing payments within an operating leasing relation as entered linearly as expenses in the Profit and Loss Account during the period of the leasing relation.

ASSETS / LIABILITIES NEXUS SCHWEIZ GMBH	VALUE TO BE ATTRIBUTED ON DATE OF ACQUISITION	BOOK VALUE
	EUR	EUR
POSITIONS ASSETS / DEPTS		
Cash on hand	737,417.71	737,417.71
Intangible assets	403,087.98	20,220.75
Fixed assets	119,082.33	119,082.33
Receivables	841,223.72	841,223.72
Inventories	42,738.88	0.00
	2,143,550.62	**1,717,944.51**
Prepaid taxes	104,273.25	0.00
Provisions	27,618.56	27,618.56
Liabilities	3,601,658.97	3,601,658.97
	3,733,550.78	**3,629,277.53**
Net asset by 05/31/2006	-1,590,000.16	-1,911,333.02
Goodwill	1,722,525.19	
TOTAL ACQUISITION COSTS	**132,525.03**	
Acquisition costs are composed of:		
Purchase price paid in cash	1.28	
Incidental procurement expenses	132,523.75	
TOTAL ACQUISITION COSTS	**132,525.03**	
Means of payment from this acquisition development as follows:		
Cash paid acquisition costs	132,525.03	
Minus purchased means of payment	737,417.71	
ACCRUAL OF PAYMENT-FUNDS	**604,892.68**	

3. Company Mergers

NEXUS Schweiz GmbH

NEXUS Medizinsoftware- und Systeme AG, Kreuzlingen acquired 100% of the shares of iSOFT Switzerland GmbH, Schwerzenbach, Switzerland with signing of the contract on 31 May 2006. A purchase price payment in cash was agreed upon, which includes both the purchase price for the company shares as well as a purchase prices for the accounts receivable of iSOFT group plc. against iSOFT Switzerland GmbH, Schwerzenbach.

The purchase costs were KEUR 133. NEXUS AG acquired the following assets and debts with takeover of iSOFT Switzerland GmbH, Schwerzenbach with the adjusted current market value shown below: See to the left

On the basis of a tentative split, the following assets were identified and capitalized as follows: KEUR 309 was capitalized as maintenance contracts (regular customers), KEUR 74 as intellectual property rights (technology), KEUR 43 as inventory (margin from open purchase orders at purchase time) and KEUR 1,723 as goodwill. Immaterial assets are contained in that, which can neither be measured independently nor reliably. These especially refer to new possibilities of accessing the market. iSOFT Switzerland GmbH, Schwerzenbach was consolidated on 1 June 2006 and had profits of KEUR -313 and a consolidated sales contribution of KEUR 4,218 in the past year.

No reliable statement can be made about the result and the development of revenue of the Group if the company merger had taken place at the beginning of the year, because no audited year-end financial statement exists for 31 December 2005 due to the different business year (30 April) of iSOFT Switzerland GmbH.

NEXUS / GMT GmbH

NEXUS AG acquired 100% of the shares of Gesellschaft für Medizintechnik GmbH (GMT), Frankfurt a. M. with the contract of 22 April 2005. The name of the company was changed after the purchase. A purchase price was agreed upon in NEXUS stock for capital subscribed in kind. The accounting par value of the net purchase price was KEUR 540. The agreed-upon targets were checked on 31 March 2006. There was no adjustment of the purchase price thereafter.

4. Intangible Assets

The intangible assets are composed of maintenance contracts/customer master, concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets, goodwill, technologies and development costs. Concessions, industrial property rights and similar rights and assets as well as licenses from such rights and assets mainly refer to software and maintenance contracts acquired in previous years.

	12/31/2005	12/31/2006
	KEUR	KEUR
Concessions, industrial property rights and similar rights and assets as well as licenses for such rights and assets	158	130
Goodwill	6,080	7,749
Development costs	8,046	8,311
Customer Base / Technology	2,600	2,656
	16,884	**18,846**

The individual positions have the following book values on the balance sheet cutoff date: See to the left

The capitalized company value was created by the acquisition of the shares of micom Gesellschaft für Organisationsberatung und Computersoftware mbH, GmbH, Munich (hereafter referred to as NEXUS / MEDICARE GmbH), GMT Gesellschaft für Medizintechnik mbH (GMT), Frankfurt a. M. (hereafter referred to as NEXUS / GMT GmbH) and iSOFT Switzerland GmbH, Schwerzenbach (hereafter referred to as NEXUS Schweiz GmbH). The goodwill for the NEXUS / GMT GmbH is KEUR 1,789. The goodwill from the purchase of micom is KEUR 4,290. In addition, a capitalized company value was capitalized at the initial consolidation time in the amount of KEUR 1,723 via the acquisition of iSOFT Switzerland GmbH, Schwerzenbach. This was KEUR 1,669 on the cutoff date due to exchange rate fluctuations.

Within the framework of the split of the purchased assets from iSOFT Switzerland GmbH, Schwerzenbach (hereafter referred to as NEXUS Schweiz GmbH), a total of KEUR 309 was capitalized at cash value as customer relations (regular customers), which will be written off linearly over 10 years corresponding to the expected consumption and the future economic benefits, and KEUR 74 as intellectual property rights (technology), which will be written off linearly over 10 years. Within the framework of the split of the purchased assets from nexus / gmt GmbH in 2005, a total of KEUR 535 was capitalized as customer relations (regular customers), which will be written off linearly over 10 years, and KEUR 139 as intellectual property rights (technology), which will be written off over 5 years. Within the framework of the split of the purchased assets from NEXUS / MEDICARE GmbH in 2004, KEUR 400 was capitalized as customer relations (use length: 7 years) and KEUR 1,875 as technology (use length: 15 years), which will be written off linearly. Write-offs in 2006 for the assets identified in the framework of acquisitions amount to KEUR 51 for NEXUS Schweiz GmbH, KEUR 81 (previous year: KEUR 61) for NEXUS / GMT GmbH and KEUR 182 (previous year: KEUR 182) for NEXUS / MEDICARE GmbH.

Development costs are in the valuation insofar as they fulfill the criteria lists in the accounting and valuation principles. They are capitalized in the business year, in which they occur if they are not for basic research or order-related. Development costs were capitalized in the amount of KEUR 3,320 (previous year: KEUR 3,393) in 2006.

The development costs will be written off according to schedule over a utilization period of four years. The remaining utilization period of the development costs capitalized in the previous years is for a time period of from one to three years. KEUR 3,053 was written off in the reporting year.

Refer to the breakdown of investments in point 8 concerning the development of the individual positions in the reporting year.

5. Depreciation of Goodwill

The goodwill purchased within the framework of company mergers was allocated for checking the value of the units generating means of payment nexus / medicare, nexus / gmt und nexus Schweiz GmbH, which represent units required to file reports. All units generating means of payments are in the Healthcare Software segment. No indicators for depreciation existed.

The achievable amount of the units generating means of payments is determined on the basis of calculating utilization value. This calculation was made on the basis of cash flow forecasts, which in turn are based on the financial plans approved by management for a time period of five years. The discount rate allowed on advance payment of taxes used for the cash flow forecasts is 9.75 % (2005: 9%). Cash flows after a period of five years are extrapolated without growth rates.

The utilization value of the three units generating means of payment are based on forecasts, which include uncertainties in the estimations. Essential uncertainties are in the following positions:

- Profit margin
- Discount rate allowed on advance payment of taxes
- Development of market shares and maintenance revenues
- Growth rates in the detailed planning stage

Profit Margin

The profit margin was calculated based on an average value, which was formed partially on the basis of already concluded contracts under consideration of the margins from the previous years as well as a substantial expansion of license business. The profit margins were also adjusted by the expected increase in efficiency.

Discount rate allowed on advance payment of taxes

The discount rate allowed on advance payment of taxes reflects the estimation of the Executive Board with respect to specific risks of NEXUS AG and its investment objects. Future investment projects are evaluated via this interest rate. In the determination of the discount rate allowed on advance payment of taxes, the returns of a risk-free investment with a time to maturity of 10 years are considered.

Development of market shares and maintenance revenues

The assumptions are especially significant, because the estimation is reflected here about how the units generating means of payment will development with respect to competitors during the planning period. At the same time, it must be observed for all three units generating means of payment that it is not a question of clearly defined markets, but instead mainly deals with project transaction, which do not permit clear comparisons.

Growth rates in the detailed planning stage

The growth rates in the detailed planning stage are based on published, industry-related market research. They are also influenced decisively by the individual estimates of future potential made by the units generating means of payment. These assumptions are supported by concrete sales, development and marketing plans.

Sensitivity of the assumptions made

Substantial deviation from the assumptions made can result in deviation of the actual utilization values of the units generating payments from the planned values. Effects on achievable values are possible in the following basic assumptions:

Assumptions about growth rates in the detailed planning stage

The Executive Board is aware that the speed of technological change or new competitors can influence the assumptions about growth rates. No growth expectations are planned in the planning for the units generating means of payment NEXUS Schweiz and NEXUS / MEDICARE. The unit generating means of payment NEXUS / GMT, an average of 10% has been set, which results fro the expectation of market growth in the area of the obstetrics solution. If this growth goal is not achieved, the utilization value of the unit generating means of payment NEXUS / GMT would be reduced.

Profit Margin

The Executive Board has weighed the possibility of smaller profit margins than those on which planning is based. In planning, increasing efficiency of the organization was assumed on the basis of quantity degression with average area increase rates. An average increase of efficiency of 11% is assumed in NEXUS / MEDICARE over the next five years, 4% in NEXUS Schweiz 20% in NEXUS / GMT. If the efficiency of the organization is reduced due to cost increases, which cannot be compensated for,, the utilization value of the units generating means of payment would be reduced.

6. Fixed assets

Refer to the shown positions in point 8 concerning the development of the individual positions in the reporting year.

7. Financial Assets

Refer to the breakdown of investments in point 8 concerning the development of the individual positions in the reporting year. The following table contains summarized financial information about affiliated companies of the Group. See to the right

8. Investment breakdown 2005 / 2006

Investment breakdown 2005: see the table below

Investment breakdown 2006: See pages 54 / 55

8. INVESTMENT BREAKDOWN:
DEVELOPMENT OF GROUP ASSETS OF DECEMBER 31, 2005

	COST OF PURCHASE AND PRODUCTION					
	01/01/2005	ADDITIONS due to change of scope of consolidation 04/01/05	CHANGE IN CURRENCY	ADDITIONS	DISPOSALS	12/31/2005
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
A. FIXED ASSETS						
I. Immaterial assets						
1. Concessions, industrial property rights, and similar rights and assets as well as licenses for such rights and assets	2,582	150	0	60	3	2,789
2. Goodwill	6,213	1,790	0	0	1,747	6,256
3. Development costs	13,942	0	0	3,393	0	17,335
4. Customer Base / Technology	2,275	674	0	0	0	2,949
	25,012	**2,614**	**0**	**3,453**	**1,750**	**29,329**
II. Tangible assets						
1. Lands and buildings	53	0	0	0	0	53
2. Other equipment, factory and office equipment	2,031	215	-1	209	60	2,394
	2,084	**215**	**-1**	**209**	**60**	**2,447**
III. Financial assets						
1. Shares in affiliated companies	828	0	0	1	18	811
2. Other lendings	323	0	0	0	0	323
	1,151	**0**	**0**	**1**	**18**	**1,134**
TOTAL	**28,247**	**2,829**	**-1**	**3,663**	**1,828**	**32,910**

	2005	2006
	KEUR	KEUR
SHARE OF PARTICIPATIONS IN THE BALANCE SHEET		
Short-term assets	38	42
Long-term assets	17	22
Short-term debts	-7	-3
Long-term debts	-3	-13
PRORATED NET ASSETS	**45**	**48**
SHARES IN REVENUE AND PROFIT OF PARTICIPATIONS		
Revenue	73	211
Profit	1	3
ACCOUNTING VALUE OF PARTICIPATION	**45**	**48**

ACCUMULATED DEPRECIATIONS						BOOK VALUES	
01/01/2005	ADDITIONS due to change of scope of consolidation 04/01/05	CHANGE IN CURRENCY	ADDITIONS	DISPOSALS	12/31/2005	12/31/2004	12/31/2005
KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
2,143	144	0	346	1	2,631	439	158
130	0	0	47	0	177	6,083	6,080
6,646	0	0	2,644	0	9,290	7,296	8,046
106	0	0	243	0	349	2,169	2,600
9,025	**144**	**0**	**3,280**	**1**	**12,447**	**15,987**	**16,884**
20	0	0	5	2	24	33	29
1,614	181	-1	213	48	1,960	418	434
1,634	**181**	**-1**	**218**	**50**	**1,984**	**451**	**463**
766	0	0	0	0	766	62	45
280	0	0	0	0	280	43	43
1,046	**0**	**0**	**0**	**0**	**1,046**	**105**	**88**
11,705	**325**	**-1**	**3,498**	**51**	**15,477**	**16,543**	**17,436**

8. INVESTMENT BREAKDOWN: DEVELOPMENT OF GROUP ASSETS OF DECEMBER 31, 2006

	COST OF PURCHASE AND PRODUCTION					
	01/01/2006	ADDITIONS due to change of scope of consolidation 05/31/06	CHANGE IN CURRENCY	ADDITIONS	DISPOSALS	12/31/2006
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
A. FIXED ASSETS						
I. Immaterial assets						
1. Concessions, industrial property rights, and similar rights and assets as well as licenses for such rights and assets	2,789	596	-18	25	0	3,391
2. Goodwill	6,256	1,723	-53	0	0	7,925
3. Development costs	17,335	0	0	3,320	0	20,655
4. Customer Base / Technology	2,949	383	-12	0	0	3,320
	29,329	**2,701**	**-83**	**3,345**	**0**	**35,291**
II. Tangible assets						
1. Lands and buildings	53	0	0	0	30	22
2. Other equipment, factory and office equipment	2,394	973	-30	429	47	3,720
	2,447	**973**	**-30**	**429**	**77**	**3,743**
III. Financial assets						
1. Shares in affiliated companies	811	0	0	3	0	814
2. Other lendings	323	0	0	0	3	320
	1,134	**0**	**0**	**3**	**3**	**1,134**
TOTAL	**32,910**	**3,675**	**-113**	**3,777**	**80**	**40,168**

	CONSOLIDATED BALANCE SHEET		CONSOLIDATED PROFIT AND LOSS ACCOUNT	
	12/31/2005	12/31/2006	2005	2006
	KEUR	KEUR	KEUR	KEUR
DEFERRED TAX RECEIVABLE				
Tax carry forward	9,377	7,862	-97	-1,515
Valuation differences at retirement account	92	81	–	–
	9,469	**7,943**		
Consumption of deferred tax liability	-4,813	-3,884		
TOTAL DEFERRED TAX RECEIVABLE	**4,656**	**4,559**		
DEFERRED TAX PAYABLE				
Development costs	3,064	3,004	-298	60
Lump sum value adjustment	11	11	5	0
Technology / Know How	1,031	1,130	18	0
Elimination of individual value adjustments in connection with debt consolidation	2,385	1,217	44	1,168
Valuation differences in securities	3	-57	–	–
	6,493	**5,305**		
Consumption of deferred tax demand	-4,813	-3,384		
TOTAL DEFERRED TAX PAYABLE	**1,680**	**1,921**	**-328**	**-287**

ACCUMULATED DEPRECIATIONS						BOOK VALUES	
01/01/2006	ADDITIONS due to change of scope of consolidation 05/31/06	CHANGE IN CURRENCY	ADDITIONS	DISPOSALS	12/31/2006	12/31/2006	12/31/2005
KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
2,631	576	-18	73	0	3,262	130	158
177	0	0	0	0	177	7,749	6,080
9,290	0	0	3,053	0	12,344	8,311	8,046
349	0	0	315	0	664	2,656	2,600
12,447	**576**	**-18**	**3,441**	**0**	**16,446**	**18,846**	**16,884**
24	0	0	0	6	17	5	29
1,960	854	-26	274	31	3,032	689	434
1,984	**854**	**-26**	**274**	**37**	**3,049**	**694**	**463**
766	0	0	0	0	766	48	45
280	0	0	0	0	280	40	43
1,046	**0**	**0**	**0**	**0**	**1,046**	**88**	**88**
15,477	**1,430**	**-44**	**3,715**	**37**	**20,541**	**19,628**	**17,436**

9. Deferred taxes

Credited and debited deferred taxes were offset in accordance with IAS 12. Credited and debited deferred taxes are classified according to their cause as follows: See to the right

The change of the deferred taxes is as follows: See to the right

	12/31/2005	12/31/2006
	KEUR	KEUR
Change in deferred taxes affecting profits	-328	-287
Adjustment of deferred taxes on valuation reserve through financial instruments, neutral in its effects of profits	42	-60
Performance-neutral adjustment of deferred taxes within the framework of provisions for pensions	63	-11
Funding of deferred taxes without effect on the result on the liabilities side for mergers	-219	-100
CHANGE IN DEFERRED TAXES AFFECTING PROFITS	**-442**	**-338**

Debited, deferred taxes were created for customer relations and technology within the framework of the first consolidation of Nexus Schweiz GmbH.

As of 31 December 2006, no debited, deferred taxes were entered on profits not paid from subsidiaries or affiliated companies, because the Group determined that the profits not distributed yet, which amount to KEUR 628, will not be distributed in the foreseeable future.

10. Receivables and Other Assets

The receivables and other assets are as follows: See to the right

	12/31/2005	12/31/2006
	KEUR	KEUR
Trade accounts receivable	5,005	8,134
. /. Provisions for losses on individual accounts	340	959
	4,665	**7,175**
Receivables from associated companies	**0**	**11**
Other assets	3,901	3,147
. /. Provisions for losses on individual accounts	1,300	1,100
	2,601	**2,047**
Income tax asset	**330**	**368**
	7,596	**9,601**

The capitalized deferred income, which was shown as separate positions in the balance sheet in the previous year, have the character of other assets and are shown under this position for this reason. The previous year's amount of KEUR was reclassified correspondingly.

The addition of individual value corrections on accounts receivable from deliveries and services in the amount of KEUR 619 (previous year: KEUR 69) was recorded in miscellaneous operating expenses. The miscellaneous assets also contain accrued interest for securities and short-term loans. Since the business year 2004, the claim for payment of the economic loss from the share in Medizin Forum AG, Ober-Mörlen, made against the tbg Technologie-Beteiligungs-Gesellschaft mbH of the Deutsche Ausgleichsbank was entered in the balance account in amount of the expected value. The expected value was reduced to 0 in the business year 2006.

11. Securities

On the balance sheet date, securities include fixed-interest mortgage bonds in the amount of KEUR 0 (previous year: KEUR 3,436; interest rate: 2.50% – 3.25%), company bonds in the amount of KEUR 9,319 (interest rate: 3.63% – 8.25%) (previous year: KEUR 4,593; interest rate: 3.63% - 8.25%), shares in the amount of KEUR 4,384 (previous year: KEUR 7,118) and money market bonds in the amount of KEUR 988 (previous year: KEUR 1,091). The final maturity of the individual securities is in the years from 2007 to 2020. External asset management was dispensed with in the reporting year.

There were no impairments of value to enter in the reporting year or the previous year.

A valuation reserve for financial instruments was established in equity capital, which shows the profits or losses from the sale of available financial assets minus the deferred taxes applicable to them.

12. Equity Capital

Equity amounted to KEUR 42,260 on the cutoff date (previous year: KEUR 41,300). Refer to the attached equity capital modification account.

a) Subscribed Capital

Subscribed capital has been divided since 1 January 2005 into 13,720,000 bearer, no-par stocks (previous year: 13,720,000) with a book value share of equity capital of EUR 1.00 each.

Own Stocks

In the general stockholders meeting of 19 June 2006, the company was empowered until 30 November 2007 to purchase its own stocks up to an amount of a total of 10% of the equity capital, i.e., up to 1,372,000 individual share certificates with a book value of EUR 1.00 each. The company may not use this empowerment for the purpose of trading with its own stocks. The company can use this empowerment completely or in partial amounts once or several times, but this can also be done for the account by third parties.

Authorized Capital

The Executive Board was empowered to increase the capital stock of the company in the period until 31 May 2010 with approval of the Supervisory Board one time or several times up to a total of EUR 6,860,000 via issue of new no-par bearer stocks (individual share certificates) against cash and/or capital subscribed in kind. The Executive Board shall decide about the conditions of the stock issue subject to approval by the Supervisory Board. The Executive Board is also empowered – subject to approval by the Supervisory Board – to decide about the exclusion of stock rights of stockholders in the following cases:

a) For residual amounts

b) For a capital increase with capital subscribed in kind for purchase of a company or a share.

Subscribed Capital

Subscribed capital in the amount of EUR 514,615 was adopted in the general stockholders meeting of 28 June 2004. The Executive Board was empowered to issue up to 514,615 stock options with stock subscription rights of the company within the framework of a stock option program III. The stock options are solely intended for purchase by members of the Executive Board and employees of NEXUS AG as well as members of management and employees of affiliated companies of the Group according to Section 15 of the German Stock Corporation Law. Additional subscribed capital in the amount of EUR 686,000 was adopted in the general stockholders meeting of 19 June 2006.

This subscribed capital can only be increased insofar as bearers of stock options, which were issued by the company within the framework of the stock option program IV due to the empowerment resolution of the general stockholders meeting of 19 June 2006, exercise their options by 30 May 2011 and the company does not concede its own stocks in fulfillment of the options. Refer to the descriptions of the stock option plans in item 18.

b) Capital Reserves

Capital reserves essentially contain surcharges from the capital increase conducted in 2000 in connection with the IPO of NEXUS AG as well as the increase of the capital reserves in the amount of KEUR 3,873 from the issue of new shares against a non-cash capital contribution in connection with the purchase of micom GmbH, Munich in 2004.

	12/31/2005	12/31/2006
	KEUR	KEUR
Accumulated profits or losses	7	-151
Deferred taxes neutral in effects on profits	-3	57
Valuation reserve for financial instruments	**4**	**-94**

The directly attributable expenses incurred in the framework of the cash increase were offset with the capital reserves in the year 2000. In the same way, there was offsetting with the capital reserve within the framework of a capital increase using capital subscribed in kind in 2005.

The reimbursement of the value-added tax from the IPO costs in the year 2000 was put into the capital reserves in the business year 2006. In addition, the adjusted current value of the stocks issued within the framework of the stock option plans is considered in the capital reserves position. Also refer to item 18.

According to Section 150 of the German Stock Corporation Law, the legal reserves and the capital reserves must exceed one-tenth of the equity capital, so that they can be used to compensate for losses or for a capital increase from company funds. As long as the legal reserves and the capital reserves together do not exceed one-tenth of the equity capital, they may only be used to compensate for losses as long as the loss is not covered by profit carried forward or annual net profit and cannot be compensated for by amortizing other revenue reserves.

c) Other Revenue Reserves

The other revenue reserves contain a reserve of KEUR 1 freely created by NEXUS Digitale Dokumentationssysteme Projektentwicklungsges. m.b.H., Vienna, in 2002.

d) Equity Capital Difference from Currency Conversion

The equity capital difference from currency conversion results fro differences, which resulted from the conversion of the annual financial statements of two foreign subsidiaries.

e) Validation Reserve for Financial Instruments

The validation reserve for financial instruments contains the cumulated profits and losses from the valuation of the adjusted current value for selling certain financial assets after offsetting deferred taxes.

13. Pension Accruals

Pensions accruals have been accrued for NEXUS.IT GmbH SÜDOST, NEXUS.IT GmbH SÜDWEST and NEXUS.IT GmbH NORD for the direct pension obligations (employer's pension commitments) taken over by the Forest Gesellschaft für Products & Services mbH as of 30 September 2000.

The amount of payments for assumed pensions is based on employment years and the respective salary of the person entitled to payments. The accrual is established for payable performances in the form of old-age and disability pensions as well as for survivors' pensions. It is a question of unforfeitable expectancy of future benefits. Calculation of the pension obligations considers market interest rates as well as wage/salary and pension trends. The reference tables 2005 G (Heubeck-Richttafeln-GmbH, Cologne), which include death and disability probability, probability of being married at time of death, are used as biometric calculation basis.

	2005	2006
	%	%
Average annual fluctuation rate	5.0	5.0
Interest rate calculated	4.0	4.25
Annual increase of current pensions	1.75	1.75

	2005	2006
	KEUR	KEUR
Cash value of pension obligation at beginning of reporting period	405	590
Interest payments	21	23
Current staff expenses	6	9
Paid benefits	-3	-3
Actuarial losses	161	-24
CASH VALUE OF OBLIGATION AT END OF REPORTING PERIOD	**590**	**595**

	2005	2006
	KEUR	KEUR
Costs for insurance claims acquired during the reporting year	6	9
Interest payments	21	23
Paid benefits	-3	-3
	24	**29**

14. Tax Accruals

The tax accruals are composed of the following: See page 59

The accruals concern NEXUS.IT GmbH SÜDOST, nexus Schweiz GmbH, Schwerzenbach und die NEXUS Medizinsoftware and Systeme AG, Kreuzlingen.

15. Other Accruals

The other accruals are composed of the following:
See page 59

It is expected for the accruals for expected warranty obligations that the warranty expenditures will occur in 2007. Accruals for performances to be provided as well as accruals for threatened losses have been increased due to the situation in project business. The other accruals are to be classified as short-term liabilities and are show under short-term debts for this reason from now on. The previous year's statement has been adjusted accordingly.

16. Liabilities

Liabilities to credit institutes exist on the balance sheet day in the amount of KEUR 43 (previous year: KEUR 0).

Liabilities to affiliated company refer to outstanding capital payment obligations of NEXUS.IT GmbH SÜDOST for G.I.T.S., Gesellschaft für IT Service Gesundheitswesen, Fürstenfeldbruck, as well as liabilities of NEXUS / MEDICARE for deliveries and services of VEGA Software GmbH, Aachen.

The other liabilities essential contain obligations for salary payments and value-add tax payments.

The owed deferred income, which was shown as separate positions in the balance sheet in the previous year, has the character of other assets and is shown under this position for this reason. The previous year's statement has been adjusted accordingly.

TAX ACCRUALS	12/31/2005	USE 2006	DISSOLUTION 2006	ADDITION 2006	12/31/2006
	KEUR	KEUR	KEUR	KEUR	KEUR
Tax reserves	1	1	0	43	43

OTHER ACCRUALS	01/01/2006	USE 2006	DISSOLUTION 2006	ADDITION 2006	12/31/2006
	KEUR	KEUR	KEUR	KEUR	KEUR
Legal costs	53	50	3	23	23
Guarantees	61	34	0	76	103
Benefits still to be paid	225	82	0	98	241
Threatened losses	118	32	0	229	315
Misc. other provisions	18	0	0	15	33
	475	**198**	**3**	**441**	**715**

17. Possible Liabilities and Other Obligations

1) Legal proceedings as well as a claims from legal disputes, which occur during the normal course of business, could be asserted in the future against the Group companies. The associated risks are analyzed with respect to the probability of their occurrence. Although the result of these disputes cannot always be assessed precisely, the Executive Board believes that no substantial obligations can arise from this.

2) There are also financial obligations from the rental of offices, leasing of vehicles and other obligations. In line with the economic content of the leasing agreements, the leasing relations are to be classified as operating leasing relations. The result, possible liabilities are as follows: See to right (upper table)

Rental and leasing agreements contain neither extension nor purchase options according to price adjustment clauses.

The following possible liabilities arose in the previous year: See to right (lower table)

	2006	2007	2008 TO 2010	FROM 2011
	KEUR	KEUR	KEUR	KEUR
Rent	695	606	492	59
Lease	504	502	389	2
	1,199	**1,108**	**881**	**61**

	2005	2006	2007 TO 2009	FROM 2010
	KEUR	KEUR	KEUR	KEUR
Rent	584	767	738	49
Lease	390	337	301	0
	974	**1,104**	**1,039**	**49**

18. Stock Option Plans

Stock Option Programs I and II

The stock option programs I and II from the years 2000 to 2004 (SOP 2000, SOP 2002, SOP 2004 I and II) expired on 30 June 2005. In 2005, a total of 132,000 options were served from existing shares of common stock of NEXUS AG from these programs.

Stock Option Program III

NEXUS AG has provided the stock option plans 2004 (SOP 2004), 2005 (SOP 2005) and 2006 (SOP 2006 I) from stock option program III for executive board members, members of management and employees of the NEXUS Group. The stock options grant the bearers the right to purchase bearer common stock of NEXUS AG.
A maximum of 514,615 stock option rights can be issued during the four year term of the stock option plans. A total of 308,000 stock option rights in SOP 2004, 80,000 in SOP 2005 and 126,615 in SOP 2006 have been issued till now.

In these stock option plans, the exercise price corresponds to the market price of these stocks during a period of four weeks before granting the option on the Frankfurt securities market in XETRA trade. The maximum term of the options is four years for SOP 2004, SOP 2005 and SOP 2006 I, whereby 40% of the stock option rights can be exercised after a qualifying period of two years, another 40% after three years, and the remaining 20% after four years following issue of the respective stock options, but at the latest on 31 December 2008 for SOP 2004, on 31 December 2009 for SOP 2005 and on 31 December 2010 for SOP 2006 I.

The performance of the NEXUS stock in the time between issue of the stock options and the last trading day on the Frankfurt securities market before exercise of the stock option rights from the stock options must exceed the performance of the reference index (TECDAX) in the same time period. The average index level on the basis of the closing rate in XETRA trading in the last four weeks before issue of the respective stock options or the last four weeks before the options are due is used for calculating the reference index.

Exercise of the option rights is only permitted three times per year after expiry of the respective qualifying period, within four weeks respectively following the regular meeting of stockholders, disclosure of the results of the second quarter and of the third quarter, as well as at the latest possible exercise time of the respective SOP.

Stock Option Program IV

In the general stockholders meeting of 19 June 2006, the Executive Board was empowered to issue up to 686,000 stock options with stock subscription rights of NEXUS AG within the framework of a stock option program IV. The stock options are solely intended for purchase by members of the Executive Board and employees of NEXUS AG as well as members of management and employees of affiliated companies of NEXUS AG according to Section 15 of the German Stock Corporation Law.

NEXUS AG granted the stock option plan 2006 II from stock option program IV for executive board members, members of management and employees of the NEXUS Group on 21 August 2006. The term of the stock option plans ends on 3o May 2011. A total of 277,385 subscription rights were issued within the framework of SOP 2006 II.

The exercise price corresponds to the average price of the NEXUS stock during a period of four weeks before issue of the subscription rights on the basis of the closing price in XETRA trade on the Frankfurt securities market.

During the four-year term of SOP 2006 II, 30% of the subscription rights can be exercised after a qualifying period of two years, another 40% after three years, and the remaining 30% after four years.

The subscription rights form the stock options can only be exercised if the performance of the NEXUS stock in the time between issue of the stock options and the last trading day on the Frankfurt securities market before exercise of the stock option rights exceeds the performance of the reference index (TECDAX) in the same time period.

Exercise of the option rights is only permitted three times per year after expiry of the respective qualifying period, within four weeks respectively following the regular meeting of stockholders, disclosure of the results of the second quarter and of the third quarter, as well as at the latest possible exercise time of 30 May 2011.

PERSONNEL COSTS	2005	2006
	KEUR	KEUR
SOP 2004	59	43
SOP 2005	3	29
SOP 2006	–	42
TRANSFER TO CAPITAL RESERVES	**62**	**114**

The option rights developed during the business year as follows:

	2005	AVERAGE WEIGHTED EXERCISE PRICE	2006	AVERAGE WEIGHTED EXERCISE PRICE
	OPTIONS	EUR	OPTIONS	EUR
Number of option rights on 1 January	538,900	3.38	388,000	2.31
Newly granted during the reporting period	80,000	3.69	404,000	3.09
Option rights expired during the reporting period	-98,900	5.28	0	
Service using existing shares of common stock	-132,000	1.75	0	
NUMBER OF OPTION RIGHTS ON 31 DEC.	**388,000**		**792,000**	
Exercisable at the end of the period	0		123,200	1.95

* The explanation about exercise of subscription rights from stock options SOP 2004 was completed on time for 85,200 stock options in the middle of December 2006. These stocks will be carried forward in 2007.

The exercise prices for the option rights not exercised at the reporting time are EUR 1.95 (SOP 2004), EUR 3.69 (SOP 2005) and EUR 3.09 (SOP 2006 I and II). The weighted, average contractual period for these stock option rights is 2.10 years (previous year: 2.01 years).

The weighted, average, adjusted current value of the options granted during the reporting period was 0.79 EUR (2005: 0.97 EUR).

In line with IFRS 2, granted stock options are valued at the time of granting the options and split over the servicing period, on one hand as personnel expenses and on the other hand as addition to capital reserves. Future addition to capital reserves will be made during the performance period, which corresponds to the contractually agreed-upon qualifying periods. The issued stock options were all valued according to the option price model of Black/Scholes at the time of their granting. The issue obstacle, which represents a market condition, was considered via an estimated discount.

The following assumptions were used for calculating the adjusted current value for SOP 2005 and SOP 2006 I + II: See to the right

	SOP 2005	SOP 2006 I and II
Duration	2,3,4 Years	2,3,4 Years
Interest loan risk-free	2.8% – 3.0 %	3.5% – 3.6%
Volatility	33.8%	36%
Dividend	abstract	abstract
Fluctuation	2%	2%
Exercise barrier	8% – 11%	10%
Exercise price	3.69 EUR	3.09 EUR
Estimated stock price	3.95 EUR	3.15 EUR

The considered, expected volatility is based on the assumption that future trends can be deduced from historic volatility, whereby the actually occurring volatility can deviate from that assumed. During the term of options, it is assumed that those entitled exercise their subscription rights at the earliest possible time.

The following personnel expenditures were considered as of 31 December 2006: See to the left

19. Revenue

The consolidated revenues are categorized in the following overview according to regions and business areas:

	HEALTHCARE SOFTWARE				HEALTHCARE SERVICE			
	2005		2006		2005		2006	
	KEUR	%	KEUR	%	KEUR	%	KEUR	%
Germany	12,062	76.8	13,028	59.5	5,223	99.0	4,179	98.6
Austria	464	3.0	798	3.6	49	0.9	56	1.3
Switzerland	2,298	14.6	6,422	29.4	3	0.1	4	0.1
Italy	107	0.7	317	1.5	0	0.0	0	0.0
USA, other regions	777	4.9	1,317	6.0	0	0.0	0	0.0
TOTAL	**15,708**	**100.0**	**21,882**	**100.0**	**5,275**	**100.0**	**4,239**	**100.0**

They are attributed to:

	2005		2006	
	KEUR	%	KEUR	%
Deliveries	4,178	19.9	3,735	14.3
Services	9,575	45.6	13,867	53.1
Licenses	7,230	34.5	8,519	32.6
TOTAL	**20,983**	**100.0**	**26,121**	**100.0**

20. Other Operating Income

The other operating income refer among other things to revenues from further sale of securities in the amount of KEUR 213 (previous year: KEUR 162) as well as redemption of reserves in the amount of KEUR 3 (previous year: KEUR 9). Foreign currency profits in the amount of KEUR 0 (previous year: KEUR 8) were recorded successfully in the reporting year.

21. Material Expenses and Cost for Purchased Services

Material expenses and costs for purchase services were as follows in the reporting period:

	2005	2006
	KEUR	KEUR
Raw materials and supplies	4,354	4,995
Purchased services	1,370	996
	5,724	**5,991**

22. Number of Employees and Personnel Expenses

Personnel expenses were paid for employees and trainees. The following number of employees and trainees were employed on the cutoff day in the individual business years:

	2005	2006
Employees	193	243
Trainees	6	6
	199	**249**

Personnel costs developed during the business year as follows:

	2005 KEUR	2006 KEUR
Wages and salaries	9,607	11,817
Social costs	1,725	2,238
	11,332	**14,055**

Additional personnel costs in the amount of KEUR 2,181 resulted from the NEXUS Schweiz GmbH in the business year 2006. Social insurance contributions and contributions for old-age pensions and support include expenses for contribution-oriented plans of KEUR 29.

23. Other Operating Expenses

The other operational expenditures are as follows: See to the right

The other operating expenses refer mainly to reserves for value adjustments in the amount of KEUR 619 (previous year: KEUR 69), provisions for reserves in the amount of KEUR 229 (previous year: KEUR 137) as well as write-offs and losses of debts in the amount of KEUR 432 (pervious year: KEUR 334).

The other operational expenditures in the table above include payment to the auditing company for the Group Financial Statement as follows: (see below right)

	2005 KEUR	2006 KEUR
Operating costs	1,190	1,453
Distribution costs	1,096	1,340
Administrative costs	1,433	1,618
Other operating expenses	1,005	1,793
	4,724	**6,204**

	2005 KEUR	2006 KEUR
Audit (individual accounts and Group audit)	77	91
Other confirmation or valuation services	10	0
Tax consultant services	9	13
	96	**104**

24. Income Taxes

Income taxes are composed of the actual tax expenses and the deferred tax expenses. The actual tax liabilities or obligations are measured using the applicable tax laws on the cut-off date with the amounts, which probably must be pay to the tax authorities or which they will demand. Deferred tax debts and liabilities are valued on the basis of the tax laws, which applied on the cutoff date, at the tax rate, which probably applies in the period during which the debt or liability is due.

In 2006, all losses carried forward were check for their value on the basis of a five-year plan; credited deferred taxes were only established in the amount to which realization via future profit is possible. Debited, deferred taxes, which arise especially due to the capitalization of development costs, are accrued as deferred tax expenses or – when possible – offset with credited deferred taxes. The taxes on the result before income taxes are divided into the actual and deferred income taxes as follows: See below

The corporate income tax including the solidarity tax and the trade earning tax as well as comparable taxes dependent on income in foreign countries are shown as income taxes. In addition, tax accruals and deferrals are entered in these positions for all substantial differing amounts between commercial and tax balance sheets as well as possible consolidation measures.

Substantial indications for realization of deferred tax claims on losses carried forward not used for taxes, which are higher than the operating results from the conversion of existing, taxable temporary differences, result from:

- The continual result improvement of core business
- The increasing maintenance volume
- The planning of the individual companies belonging to the NEXUS Group

A tax rate between 37.61% and 40.86% was used for calculating deferred tax expenditures or revenues both in business year 2006 as in the previous business years depending on the company in question. In determining the tax rates in 2006, a tax rate of 25.0% plus solidarity surcharge were set for the Group tax burden, and rates between 14.89% and 19.68% were set for the trade tax on earnings depending on the municipality.

A combined average rate of 37.5% is used for calculating the deferred taxes for corporate income tax and trade tax. This rate was 37.7% in the previous year due to other factors by which the uniform tentative tax is multiplied and other trade tax breakdown shares.

	2005	2006
	KEUR	KEUR
Actual tax expenditure	-5	-40
Deferred tax income	-328	-287
	-333	**-327**

	2005 KEUR	2006 KEUR
Profit before tax	422	1.127
Profit tax expenses (previous year profit tax yield) At tax rate of 37.5%	-159	-425
Difference in tax rate of foreign results	0	6
Tax increases / decreases due non-deductible expenses and tax-free revenue	-33	-17
Depreciation of company assets / losses carried forward	-46	0
Attribution of deferred tax	0	90
Taxable losses carried forward, which did not result in capitalization of deferred taxes	-231	-550
Use of taxable losses carried forward	147	571
Effect from tax rate differences	-14	-2
Other	3	0
EFFECTIVE TAX EXPENSE	**-333**	**-327**

The relation of the expected tax expenses to the tax expenses, which results from the Group Profit and Loss Account, shows the following transitional calculation:
See to the left

NEXUS also acquired tax losses to be carried forward via company acquisitions, which can be offset unrestricted with profits in the future. As of 31 December 2006, the value of the considered tax losses was KEUR 20,937 (previous year: KEUR 27,559) and the value of tax losses not considered was KEUR 38,980 (previous year: KEUR 21,748), for which no deferred claim under the tax relationship is credited in the balance sheet.

25. Earnings per Share

The non-watered earnings per share results from the division of the period result due to the stockholders by the average weighted number of stocks in circulation during the period. For calculating the watered result per share, the period result due to the stockholders and the average weighted number of stocks in circulation during the period would have to be adjusted by the effects of all potentially watered stocks, which result from the exercise of granted options.

No existing option rights were exercise in 2006 (previous year: 132,000) Options were granted in 2004-2006, from which a watering effect results in an amount below EUR 0.01. An average number of stocks of 14,243,067 was used as the based for calculating the watered result per share.

EARNINGS PER SHARE	2005	2006
Consolidated loss (group share) in KEUR	262	704
Average of shares issued (in thousands)	13,720	13,720
Earnings per share in EUR (diluted and undiluted)	0.02	0.05

26. Funds Statement

The funds statement shows how the means of payment of the NEXUS AG changed due to incoming and outgoing flows in the reporting year. Payments are structured according to current transactions, investments and financing activity in the funds statement. The cash flow from current business transactions is shown according to the indirect method. iSoft Switzerland GmbH, Schwerzenbach was integrated with balancing of its book value changes only with its items connected with payments.

27. Cash Flow from Current Business Transactions

In 2006, the cash flow from current transactions declined compared to the previous year from KEUR 7,533 to KEUR 2,415. Special effects from the reduction of claims influenced the cash flow in the previous year. In addition, the cash flow in the business year was influenced substantially by the increase of claims, received interest and the simultaneous reduction of liabilities required to settle accounts.

28. Cash Flow from Investment Activities

The cash flow from investment activities is negative at KEUR -1,828 (previous year: -6,685) Matured securities and liquidity surpluses were reinvested in new securities. The investments in immaterial assets, especially in development services, were also the focus of investment activities in 2006. Additionally, an amount of KEUR 605 was entered into the balance from the acquisition of iSOFT Switzerland GmbH.

29. Cash Flow from Financing Activities

The change of cash flow from financing activities is above all due to changes in the consolidation group and associated payment of loans.

30. Amount of Financial Resources

The amount of financial resources is composed of liquid funds (cash balance and credit balance at banks) minus account correction liabilities to banks.

31. Segmenting according Business Divisions

Healthcare Software

NEXUS develops and sells software solutions for health care systems in its Healthcare Software Division. A distinction is made between the administrative and the medical sectors there. NEXUS provides a hospital information system (HIS) with its core product NEXUS / MEDFOLIO for the medical sector. The counterpart product NEXUS / MEDICARE is offered for psychosomatic institutions. We provide all administration applications for the Swiss market with the product line NEXUS / HOSPIS. Highly specialized solutions are available for radiology (NEXUS / INORMS) and gynecology including obstetrics (NEXUS / GMT). NEXUS also expanded its portfolio for quality management software with the product NEXUS / CURATOR. The product ONCENTRA IM, which was developed in collaboration with our Dutch partner Nucletron B.V., also belongs to the area of Healthcare Software.

Healthcare Service

The Healthcare Service Division provides services provided by NEXUS.IT companies. These including consulting for hospital IT departments, configuration of network, Intranet and Internet solutions, security concepts and the management of IT services with the framework of the service company G.I.T.S. Gesundheitswesen IT-Service GmbH, Fürstenfeldbruck.

The Group is mainly controlled according to business divisions due to the chance and risk structure. Consequently, the division according to business divisions is the primary segmentation level.

Transactions between the segments are mainly debited as procurement or manufacturing costs.

The following information is provided for the individual segments according to business divisions: See the page to the right

DIVISIONAL REPORTING		HEALTHCARE SOFTWARE	HEALTHCARE SERVICE	CONSOLI-DATION	GROUP
		KEUR	KEUR	KEUR	KEUR
REVENUES					
External sales	2006	21,882	4,239		26,121
	2005	15,708	5,275		20,983
Intersegment sales	2006	126	1,382	-1,508	0
	2005	101	635	-736	0
Segment sales	2006	22,008	5,621	-1,508	26,121
	2005	15,809	5,910	-736	20,983
Divisional operating result	2006	-39	466		427
	2005	-123	-22		-145
Plus financial result	2006				700
	2005				567
Plus income tax	2006				-327
	2005				-333
ANNUAL NET PROFIT	2006				**800**
	2005				**89**
Are attributable to:					
- Stockholders of parent company	2006				704
	2005				262
- Minority interest	2006				96
	2005				-173
Segment assets	2006	28,582	503		29,085
	2005	24,377	772		25,149
Financial investments	2006				88
	2005				88
Financial assets	2006				17,446
	2005				19,389
Plus deferred tax refund claims	2006				4,559
	2005				4,656
Plus tax refund claims	2006				368
	2005				330
TOTAL ASSETS	2006				**51,546**
	2005				**49,612**
Segment debt	2006	5,779	1,500		7,279
	2005	4,836	1,795		6,632
Plus finance liabilities	2006				43
	2005				0
Plus tax accruals	2006				43
	2005				1
Plus deferred taxes	2006				1,921
	2005				1,680
TOTAL LIABILITIES	2006				**9,286**
	2005				**8,312**
Investments	2006	**3,722**	**52**		**3,774**
- Investments in immaterial assets	2006	3,345	0		3,345
- Investments in tangible assets	2006	377	52		429
	2005	**3,655**	**7**		**3,662**
- Investments in immaterial assets	2005	3,453	0		3,453
- Investments in tangible assets	2005	202	7		209
Amortisation	2006	**3,696**	**19**		**3,715**
- Amortisation in immaterial assets	2006	3,437	4		3,441
- Amortisation in tangible assets	2006	259	15		274
	2005	**3,217**	**281**		**3,498**
- Amortisation in immaterial assets	2005	3,013	267		3,280
- Amortisation in tangible assets	2005	204	14		218
Other non-cash expenses	2006	98			98
	2005	26			26
Net result from associated companies	2006				3
	2005				1
Shares in affiliated companies	2006				48
	2005				45

The geographic segments of the Group are determined according to the site of the Group assets. Sales to external customers, which are given in the geographic segments, are shown in the individual segments in line with the geographic site of the customers.

The geographic segments are as follows: See to the right

	2005	2006
	KEUR	KEUR
SALES		
Germany	17,285	17,207
Austria	513	854
Switzerland	2,301	6,426
Italy	107	317
Rest of Europe, USA	777	1,317
	20,983	**26,121**
SEGMENT ASSETS		
Germany	42,437	41,261
Austria	402	204
Switzerland	1,592	4,820
Italy	107	246
	44,538	**46,531**
INTANGIBLE ASSETS INVESTMENT		
Germany	3,453	3,343
Austria	0	1
Switzerland	0	1
Italy	0	0
	3,453	**3,345**
TANGIBLE ASSETS INVESTMENT		
Germany	191	376
Austria	10	1
Switzerland	2	52
Italy	6	0
	209	**429**

32. Financial Instruments

Finance Risk Management

The Group is active internationally in part, whereby it is subject to market risks due to changes of exchange rate. The Group does not believe that these risks can have a substantial influence on the revenue and financial situation of the Group. Consequently, covering transactions were not made.

Liquidity Risks

The Group strives to have sufficient means of payment and equivalents for this or have corresponding irrevocable credit lines to fulfill its obligations over the coming years. In addition, the company has approved capital available in the amount of KEUR 6,860 (previous year: KEUR 6,860) for further capital increases.

Non-Payment Risks

Non-payment risks or risks that a contractual partner cannot fulfill his payment obligations are controlled via use of loan commitments, credit lines and other control methods within the framework of debt management (e.g., credit investigations). There are no essential non-payment risk concentrations in the Group. The maximum risk amount results from the book value of the capitalized finance instruments.

Currency Risks

Exchange rate risks are created by sales made in Switzerland and the resultant receivables, which are subject to exchange rate fluctuations until payment.

Interest Risks

NEXUS AG does not take any long-term loans. The securities mainly concern fixed-interest loans and bearing bonds. Due to the fixed-interest rate, the investments are subject to interest or market value risks in principle. This risk is considered an unessential due to the short, average holding time of the finance instruments (one to two years).

Current Value

The financial instruments of the Group not shown in the balance sheet at the current value primarily concern claims from deliveries and services, payment means and payment mean equivalents, credit in current account, liabilities from deliveries and services and other liabilities.

The book value of the payment means and payment mean equivalents is very close to the current value due to the short term of these financial instruments.

The book value based on historic purchase costs is also very close to the current value for claims and debts, which are subject to normal trade credit conditions.

33. Contingent Liabilities

There were no contingent liabilities on 31 December 2006.

34. Relation to Closely Affiliated Companies and Persons

Affiliated Companies

NEXUS AG is the highest ranking parent company. Insignificant transactions were conducted with the affiliated companies G.I.T.S. Gesundheitswesen IT-Service GmbH, Fürstenfeldbruck, and VEGA Software GmbH, Aachen for the Group during the reporting period. Overall, sales in the amount of KEUR 59 (previous year: KEUR 25) and purchases in the amount of KEUR 36 were made. There were outstanding receivables from deliveries and services in the amount of KEUR 11 on the cutoff date (previous year: KEUR 0). In addition, there are accounts payable from deliveries and services in the amount of KEUR 3 (previous year: KEUR 6) and from an investment still to be made in nominal capital in the amount of KEUR 12 (previous year: KEUR 12). There were no business transactions with the affiliated companies Medizin Forum AG, Ober-Mörlen, and Medidata GmbH, Berlin, in the business year. The participating interest in Medizin Forum AG, Ober-Mörlen was written off completely as of 31 December 2004. The held interest in the affiliated companies is shown in point 1.

Sales to and purchases from affiliated companies are at normal market conditions. The outstanding positions at the end of the business year are not collateralized, non-interest bearing and will be paid in cash. There are no guarantees for receivables or payables in connection with affiliated companies. The Group did not correct any values for receivables with respect to affiliated companies as of 31 December 2006. The necessity of reporting a valuation adjustment is checked annually by checking the financial situation of the affiliated company and the market, in which it is active.

Affiliated Persons

There are no other affiliated persons requiring reporting other than those reported at other places.

35. Organs of the Group

The following persons are members of the Supervisory Board:

- Dr. jur. Hans-Joachim König, Singen; Chairperson
- Prof. Dr. Ulrich Krystek, Hofheim; Deputy Chairperson
- MBA (FH) Wolfgang Dörflinger, Constance
- Ronny Dransfeld, Schwäbisch Hall
- Dr. Dietmar Kubis, Jena
- Prof. Dr. Alexander Pocsay, Saarbrücken (as of 19 June 2006)
- Dr. Herwig Freiherr von Nettelhorst, Berlin (until 18 June 2006)

The Executive Board:

- Dr. Ingo Behrendt, Constance; Chief Executive Officer
- MBA (FH) Stefan Burkart, Stockach

The total salaries are as follows: See below

Severance payments were not made. The overall remuneration of the Supervisory Board amounted to KEUR 63 (previous year: KEUR 63).

SALARY COMPONENTS	2005 KEUR	DR. INGO BEHRENDT KEUR	STEFAN BURKART KEUR	2006 KEUR
Non-performance-related component	**279**	211	101	**312**
a) Short termed benefit	279	195	101	296
b) Benefit after employment	0	16	0	16
Performance-related component	0	0	0	0
TOTAL	**279**	**211**	**101**	**312**
Component with long-term incentive effect: options at adjusted option value	149	154	12	166

36. Directors Holdings

In the business year 2006, the number of stocks held by the Executive Board and the Supervisory Board changed as shown in the following list:

	NUMBER OF SHARES	NUMBER OF OPTIONS
SUPERVISORY BOARD		
Dr. jur. Hans-Joachim König	81,099 in 2005 (81,099)	0 in 2005 (0)
Prof. Dr. Alexander Pocsay	0 in 2005 (0)	0 in 2005 (0)
Ronny Dransfeld	0 in 2005 (0)	0 in 2005 (0)
Prof. Dr. Ulrich Krystek	0 in 2005 (0)	0 in 2005 (0)
Dipl.-Betriebswirt (FH) Wolfgang Dörflinger	0 in 2005 (0)	0 in 2005 (0)
Dr. Dietmar Kubis	0 in 2005 (0)	0 in 2005 (0)
EXECUTIVE BOARD		
Dr. Ingo Behrendt (MBA)	82,000 in 2005 (82,000)	355,000 in 2005 (165,000)
Dipl.-Betriebswirt (FH) Stefan Burkart	116,147 in 2005 (116,147)	15,000 in 2005 (0)

Ronny Dransfeld is Managing Director of Jupiter Technologie GmbH & Co. KGaA, Schwäbisch-Hall, which owns 16.9% of the NEXUS AG stocks.

37. Events after the Balance Sheet Date

Events after the balance sheet date, which provide additional information about the situation of the company as of the balance sheet date, are considered in the balance sheet. Events after the balance sheet date, which do not result in any adjustments, are shown in the Appendix insofar as they are essential.

38. Statement in line with Section 161 German Stock Corporation Law about Corporate Governance Code

NEXUS AG as sole company of the Group listed on the stock market submitted the statement required according to Section 161 German Stock Corporation Law on 14 December 2006 and made it accessible to stockholders.

The Financial Statement was approved by the Executive Board for publication.

Villingen-Schwenningen, 21 March 2007
NEXUS AG

Dr. Ingo Behrendt
Stefan Burkart

Audit Certificate

We have provided the following audit certificate for the Group Financial Statement and the Group Status Report:

"We have audited the Group Financial Statement drawn up by the Nexus AG, Villingen-Schwenningen, composed of balance sheet, profit and loss account, equity capital modification account, cash flow statement and appendix as well as the Group Status Report for the business year from 1 January until 31 December 2006. The corresponding statement according to Section 161 German Stock Corporation Law, which was included in the annual report, was not an object of our audit. The preparation of the Group Financial Statement and the Group Status Report in line with IFRS, as they are to be applied in the EU, and the supplementary commercial law regulations according to paragraph 315a clause 1 of the commercial code are the responsibility of the legal representatives of the company. Our job is to provide an assessment of the Group Financial Statement and the Group Status Report on the basis of an audit, which we conduct. We were also contracted to judge whether the Group Financial Report corresponds to IFRS overall.

"We conducted our audit of the Group Financial Report in accordance with paragraph 317 of the commercial code under consideration of the German principles set by the Institute of Auditors (IDW). Accordingly, the audit should be planned and conducted in such a way that misstatements and violations, which have an essential effect on the depiction of the picture of the situation of assets, finances and revenue communicated by the Group Financial Statement under consideration of the applicable regulations and by the Group Status Report, are detected with sufficient certainty. At setting the auditing procedures, knowledge about the business operations and the economic and legal environment of the Group as well as the expectations of possible errors are considered. Within the framework of the audit, the effectiveness of the internal control system related to accounting as well as proofs from the information in the Group Financial Statement and the Group Status Report are judged mainly on the basis of spot checks. The audit includes judgment of the year-end financial statements of companies included in the Group Financial Statement, delimitation of the consolidation circle, the applied accounting and consolidation principles and the essential estimates of the legal representatives as well as an assessment of the overall depiction of the Group Financial Statement and the Group Status Report . We believe that our audit provides a sufficiently reasonable basis for our judgment.

Our audit did not find anything objectionable.

According to our judgment based on the information obtained in the audit, the Group Financial Statement and the Group Status Report are in line with IFRS, as they are to be applied in the EU, and the supplementary commercial law regulations according to section 315a clause 1 of the commercial code, and communicate a picture of the situation of the assets, finances and revenue of the Group corresponding to actual conditions. The Group Status Report is in agreement with the Group Financial Statement and communicates a general accurate picture of the situation of the group and presents the chances and risks of future development correctly."

Villingen-Schwenningen, 22 March 2007

Ernst & Young AG
Auditing Company
Tax Consultant Company

Dr. Wetzel	Nietzer
Auditor	Auditor

e-health solutions

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