



Interaktion

- 09
- Beschreibungen
- Stationen

- Diagnostik
- Untersuchung
 - Röntgenbilder
 - CT
 - Ultraschall

- Labordiagnostik
- Hämoglobin
 - Hämoglobin
 - Hämoglobin
 - Hämoglobin

Vitalwerte

- EKG
- Puls
- Temp.

Annual Report
2007

“We did better than planned in 2007 and increased revenues for the seventh year in a row.”

Dr. Ingo Behrendt
Chief Executive Officer, NEXUS AG

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Advertising campaign of the
NEXUS-group

Having the complete
patient's data constantly
available is a great
benefit for our work
and for our patients.

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Letter to our shareholders

Dear Sir or Madam

NEXUS did better than planned in 2007 and was able to increase sales and profit for the seventh year in a row. Last year can be summarized with this brief description. We were again able to increase our key figures and substantially improve our market position with new projects and acquisition of companies. At the same time, we realized in 2007 that standardization and integration will be our primary tasks over the coming months. We can only generate two-figure growth rates in the long term in this way.

The concentration process in the market for medical information systems also continued unabated in 2007. At the same time, we are seeing initial tendencies indicating that competition is entering a new phase among the remaining companies. The companies have reached a crossroads in the globalizing market. Only a few can fulfill all customer requirements. The complexity of applications and installations is increasing considerably and is a challenge for both project management and customer organization. At the same time, customers increasingly understand the problems in the informalization of medical processes. This is a development, which helps the market and leads to realistic projects and consequently increased customer satisfaction. The question about the right product continues to play a pivotal role in this.

Which company is able to present an integrated but flexible system, which can depict the many different processes of a hospital without endangering the standardization of the software? Which company is simultaneously able to set up its system for the international market? These are challenges, which will decide the outcome of competition. The modular, open architecture of NEXUS products and the clear concept of a uniform information system for the health care market have proved over the past years that we are among the winners of this competition. We have oriented our company, our products and our strategy to the health care market and its specific features and set new standards in this segment.

NEXUS is pursuing a uniform strategy in product development, which makes it possible to provide integrated, modular nationally and internationally.

The development strategy of NEXUS continues unchanged to bet on service-oriented architecture (SOA), which is integrated into the existing NEXUS application landscape step by step. Consequently, new software architecture is continually integrated into the existing product world and creates a high degree of security of the future for customers and the company.

We have again set ambitious goals in 2007 and intend to increase sales and revenues substantially again. This plan is very ambitious, especially against the background of the continual growth in the previous years. In addition, we had to provide considerable services in advance due to large and prestige projects, which we started in 2007 and which have not yet been expressed in sales and profit margin.

In spite of these challenging basic conditions, we have again been able to fulfill our sales and revenue targets in 2007 and carry on the continual improvement of the past six years.



Dr. Ingo Behrendt

Total sales increased in the reporting year to EUR 29.7 million and consequently surpassed those of the previous year by approx. 14% (previous year: EUR 26.1 million). Sales in the Healthcare Software Division increased by 18% to EUR 25.7 million (previous year: EUR 21.9 million). This is an important key figure for NEXUS of its market success. We consolidated sales of NEXUS / PASCHMANN GmbH in the amount of EUR 1.3 million and NEXUS / HOLL GmbH in the amount of EUR 0.1 million in these figures. The share of international business should be pointed out here, which is already at 47% in this area following 40% in the previous year.

The “Healthcare Software” area increased by 18%: this is the most important key figure for NEXUS denoting market success.

The development in the area of Healthcare Software shows clearly that the international market is very significant and that NEXUS also has positioning that can be communicated clearly and internationally with „Medicine in Focus“. This was also demonstrated by the number of new orders in 2007. We have also been able to maintain a high level with 72 hospitals and again win the trust of many customers. This development shows that our market successes are not a flash in the pan, but instead that we can position ourselves as a successful company in the long term.

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Key Figures 2007

	2005		2006		2007	
	KEUR	KEUR	%	KEUR	%	
REVENUE AND RESULT						
Sales	20,983	26,121	24.5	29,712	13.7	
Sales Healthcare Software	15,708	21,882	39.3	25,710	17.5	
Sales Healthcare Service	5,275	4,239	-19.6	4,002	-5.6	
Sales National	17,285	17,207	-0.5	17,519	1.8	
Sales International	3,698	8,914	141.0	12,193	36.8	
Earnings before tax	422	1,127	167.1	1,677	48.8	
EBITDA	3,398	4,144	22.0	5,129	23.8	
Result per Share	0,02	0,05		0,08		
INVESTMENTS AND DEPRECIATION						
Investments in intangible and tangible assets	3,662	3,774	3.1	5,591	48.1	
Depreciation	3,498	3,715	6.2	4,135	11.3	
ASSETS, EQUITY AND LIABILITIES						
Balance sheet assets	49,612	51,546	3.9	54,154	5.1	
Capital assets	17,435	19,628	12.6	24,183	23.2	
Short-term assets	27,521	27,359	-0.6	26,072	-4.7	
Net Liquidity	19,389	17,446	-10.0	12,071	-30.8	
Equity	41,300	42,260	2.3	43,506	2.9	
Equity ratio (in %)	83,2	82,0		80,3		
Bank loans	0	43		185		
Short-term liabilities	6,042	6,770	12.0	8,574	26.6	
KEY FIGURES						
Cash Flow from operative activities	7,533	2,415	-67.9	2,964	22.7	
Cash Flow from financing activities	-6,685	-1,828	-72.7	-3,611	97.5	
Number of Users of NEXUS-Software	45,400	54,300	19.6	67,800	24.9	
EMPLOYEES (END OF THE YEAR)						
	199	249	25.1	302	21.3	

The overall result again increased strongly in 2007 and substantially exceeded the targeted values. The EBITDA reached KEUR 5.13 million following 4.14 million in the previous year (+23.8%). Profit before taxes is EUR 1.68 million for 2007 following EUR 1.13 million in the previous year (+48.8%), and Group profit is EUR 1.16 following EUR 0.70 in the previous year (+65.2%). As a result, our operating results have improved for the seventh year in a row.

We also continued expansion of our company unabated in 2007. With the acquisition of two companies, we have considerably increased our competence in additional, special medical and organizational areas and expanded our product portfolio decisively. We achieved clear portfolio expansions in the areas of pathology, cytology and voice recognition; we have become the market leader in the area of quality management with the acquisition of Holl GmbH.

We achieved remarkable sales successes both nationally and internationally in 2007. In the German market, we were able to sign up a total of 11 hospitals for NEXUS overall solutions. In addition, there were highlight projects such as the Heart Center Berlin and the medication solution of the hospitals of the Rhineland Regional Authority. A number of significant projects were also won in the international area. These include the psychiatric institutions of Viennese hospitals, four new hospitals in Saudi Arabia and St. Gallen Canton, which has 11 hospitals and decided in favor of NEXUS AG.

The projects of the past years created and create a number of essential challenges for NEXUS. On one hand, the number of projects, which we process, is substantially higher than in the past, and on the other hand, the demands made on the solutions have increased considerably. We saw in 2007 that the consistent standardization of the modular product world as well as organizational and technical integration of our Group's solutions are an important prerequisite for customer satisfaction and consequently for future success. We are especially going to focus on these measures in our structuring and development activities in 2008 too.

We already started last year to standardize our products consistently with respect to development. This includes projects such as the new „Overall Medical and Administrative Solution“ for the German market, but also revising and standardizing the technology of modules, e.g., the module for operation theaters (NEXUS / OP) and the module for nursing hospitals (NEXUS / NURSING). There were also new development topics, which we started working on last year. Our international materials management and financial account programs should be emphasized here, which have already been developed using new technology (.net). Our module for intensive care units is also very significant; it integrates seamlessly into the medical applications of NEXUS. All in all, we developed numerous products in the past year to the point where they can be marketed and proved the sustainability of our innovative power.

Overall, we also implemented our strategies very successfully in 2007. Our growth and the development of returns have proceeded very well, company acquisitions could be integrated well and our market position has again improved considerably. We are going to shift our focal points in the current year.

2008 will be completely characterized by consistent technological standardization and organizational integration of the Group.

It will mainly be a question of implementing our products and projects standardized without losing the required flexibility at customers' and to create the tools required for this. We will only be able to achieve customer satisfaction in the long term in this way and consequently create the basis for continued growth.

Dear Stockholders: The fantastic development of our company over the past years is an achievement, for which we have many to thank. We thank our customers, our employees and partners, but also you, dear stockholders, for your faith in our company and in our vision of innovative medical informatics.



Stefan Burkart

Dr. Ingo Behrendt

Stefan Burkart

Highlights 2007

January

KREISKRANKENHAUS
Greiz GmbH 

Path integration NEXUS / CASE-MAPS in Greiz receives national attention and admiration

The Thuringians have integrated the path software tool NEXUS / CASEMAPS into the HIS, so that interdisciplinary requests can be called and created from the individual modules. The NEXUS solutions serve as workflow and analysis tools in this, which enable cost and quality transparency all the way to individual subprocesses.

St. Gallen Canton bets on the hospital software from NEXUS

The cantonal hospitals of the St. Gallen region with 11 hospitals ensure basic health care in eastern Switzerland. The two high-performance emergency hospitals as well as the sixth largest Swiss hospital in St. Gallen will be supported by NEXUS solutions in the future.

March



Hospitals in the Darmstadt-Dieburg district prefer the computer center solution from NEXUS

The two hospitals of the Darmstadt-Dieburg district (Seeheim-Jugenheim and Gross-Umstadt) with a total of 400 beds have decided in favor of NEXUS and a computer center solution. Patient and treatment management as well as financial accounting already entered productive operation using NEXUS in the first week of 2008.

Feldkirch selects PDMS from NEXUS

The Feldkirch District Hospital (A) as a main hospital of the Vorarlberg region is taking a pioneering role in practical use of the newly developed PDMS module. As a development partner of NEXUS, the software module will initially be integrated into the software module of the intensive care unit and then will be expanded to anesthetics. The goal is to equip all hospitals in the Vorarlberg region with the PDMS module.

February



Motion Computing, Intel and NEXUS

MCA from Motion Computing was developed in collaboration with Intel and NEXUS specifically for use in hospital environments. This mobile solution enables simultaneous processing of different tasks already during doctors' rounds at the point of care. Numerous users have already tested the first MCA in pilot projects worldwide.

Ward-overlapping PDMS module integrates chart function with medication

NEXUS wants to eliminate another interface within hospitals and clinics in the middle of 2008. Using the module PDMS from NEXUS, patient data from intensive care units will be available to the subsequent care ward and updated there. Now, electronic recording of vital parameters often ends when a patient leaves the intensive care unit, and manual updating is not possible. The data are „simply taken along“ using the NEXUS module PDMS.

April



Introduction of a national HIS in Saudi Arabia

The bid of NEXUS was accepted in the wake of a substantial investment for restructuring the health care system in Saudi Arabia. The NEXUS solutions were chosen in an international call for bids to digitalize hospital records throughout the country.

Delivery room monitor system at Basel University Hospital

The university gynecological and obstetrics clinic has one of the most modern and progressive ward solutions in Europe with installation of the NEXUS software. Among other things, the module NEXUS / ARGUS provides innovative scoring methods for optimal evaluation of the condition of mother and child.

*Nexus software depicts
our hospital processes
completely and totally
automatically.*





The open and modular architecture of the NEXUS-Software is an essential advantage for the hospital's workflow

May



Introduction of KTQ Intranet solution "KTQ.web"

Within the framework of a strategic partnership between NEXUS and KTQ GmbH, its software „KTQ.DOC“ has been upgraded with the Intranet solution „KTQ.web“. This provides hospitals with the possibility to make the QM manual and the KTQ self-assessment accessible web-based in the Intranet to all employees.

Ad Hoc: Business Figures Continue to Increase in Q1 2007

Sales increased by 19.3% to €6.3 million and the result after taxes by 18% to KEUR 374 in the first quarter 2007.

July



German Heart Center Berlin Bets on NEXUS Software

The internationally renowned German Heart Center Berlin decided in favor of the total system from NEXUS within the framework of a multi-stage selection procedure. The German Heart Center is one of the leading hospitals in Europe with 1,200 employees, approx. 200 beds and more than 4,000 operations per year.

Surgery Clinic Dr. Rinnecker Contracts NEXUS

In a call for bids, the software solution from NEXUS was awarded the contract by the Surgery Clinic Dr. Rinnecker. With 246 beds, the clinic is the largest privately managed surgery clinic in Bavaria and known nationally and internationally as a highly innovative center for surgery.

Hessian Welfare Association – HDV Selects NEXUS Solution

The five hospitals of the association with a capacity of a total of 500 beds selected the solution from NEXUS within in the framework of a call for bids. The focal point of the projects is hospital-overlapping control of medical and administrative processes.

June



Purchase of Computer Partner Paschmann GmbH

NEXUS AG acquired 100% of the shares of its computer partner Paschmann GmbH, Oberhausen as of 4 June 2007. With more than 250 customers, the company is one of the market leaders in the segment of pathology and cytology systems in the German-speaking areas.

IT System for Psychiatric Wards and Institutions for all of Vienna

Approximately 400,000 patients are admitted to the hospitals of the Viennese Hospital Association (KAV) and treated and cared for by almost 32,000 employees. The international call for bids for a psychiatry documentation system was made with a correspondingly high demand for quality, which the NEXUS solutions fulfilled convincingly.

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August



Upper Rhine Hospitals Select NEXUS / MEDICARE

The Upper Rhine hospitals as private hospital and supporting foundation for homes are replacing the previous BOSS/AGFA system with psychiatric hospital information system from NEXUS / MEDICARE.

University Gynecology and Obstetrics Clinic Freiburg Introduces NEXUS / GMT

In the future, obstetrics documentation and CTG monitoring of the university gynecological and obstetrics clinic will be conducted using the ward solution NEXUS / GMT. The modularly structured ward system of NEXUS / GMT is being integrated into the existing medical information systems.

NEXUS Acquires Holl GmbH

NEXUS and Holl are combining their products in software-supported quality management. The objective is less administration work for customers and support of all customary certification processes in the health care system. As a result, cross-selling effects are created for expanding the QM control circuit of the target groups.

Ad Hoc: Positive Development in Sales and Result in the First Half-Year-2007

NEXUS AG achieved sales of 13.2 million 239 and an improved EBTDA of KEUR 2.5 (9.5%) in the first half year.

September



Biel Hospital Center Selects NEXUS / MEDFOLIO As one of the largest regional health centers in Bern Canton, the Biel Hospital Center provides comprehensive care in almost all medical areas of specialty. The project involves introduction of the complete NEXUS / MEDFOLIO system. The focal point is on supporting core medical processes.

NEXUS Develops Integrated Breast Center Solution Approximately 50,000 women become ill with breast cancer every year. The progressing creation of a breast center network in Germany covering all areas is being supported by NEXUS with development of an integrated breast center solution. The goal is to enable interface-free communication between the doctors involved.



Westfälische
Wilhelms-Universität
Münster

November

Münster University Hospital Selects NEXUS / GMT „The system of NEXUS / GMT makes it possible for us to create a unique combination of obstetrics documentation, high-performance CTG monitoring and optimum workflow support,” according to PD Dr. Walter Klockenbusch, Head Physician.

Ad Hoc: Doubling of Result in Q3 2007 NEXUS AG achieved sales of 21.4 million (+25.0%) and a substantially improved result before taxes of EUR 1.5 million (+103%) in the first nine months 2007.

MEDICA Surpass the High Expectations; “A HIS for the Specialist Ward/Department Too” – NEXUS Group exhibited with this message at MEDICA 2007 in Dusseldorf. The message was well received; interest in e-Health solutions from the NEXUS Group was very high with more than 500 trade fair visitors at this year’s NEXUS booth.

October



Oberaargau Hospital Region (SRO) Introduces NEXUS HIS SRO AG is introducing the NEXUS / MEDFOLIO solution for its 600 employees to improve the workflows of the various wards and departments of the hospital association decisively. The goal is to have all required information available at each site and in all medical areas of specialty without having to switch media.

December




Heidelberg University Hospital Works with NEXUS / PASCHMANN Employees at about 70 workstations will be supported by NEXUS / PATHOLOGY in their most important diagnostic work in the medical treatment area, laboratory, secretarial services and administration in the future.

NEXUS Announces New Referring Physician Portal Intersectoral communication is becoming increasingly important. NEXUS is developing a web-based referring physician portal for this, in part in collaboration with customers. The goal is to enable hospitals to provide referring physicians with more precise and comprehensive information more quickly. In addition, referring physicians will have the possibility to schedule reservations online, dependent on their rights.

NEXUS software tools
show the most effective
treatment path
and can always be
adapted to the
medical necessities.



A female healthcare professional with short brown hair, wearing blue scrubs and a stethoscope, is smiling while looking at a laptop. She is holding the laptop with both hands, and her right hand is on the keyboard. The background is plain white.

NEXUS solutions
can be used intuitively
and are on a secure
technological basis for
the future.

NEXUS-Product Portfolio: Expanded Meaningfully

NEXUS / PASCHMANN: Know-How Basis Expanded in the Pathology / Cytology Sector

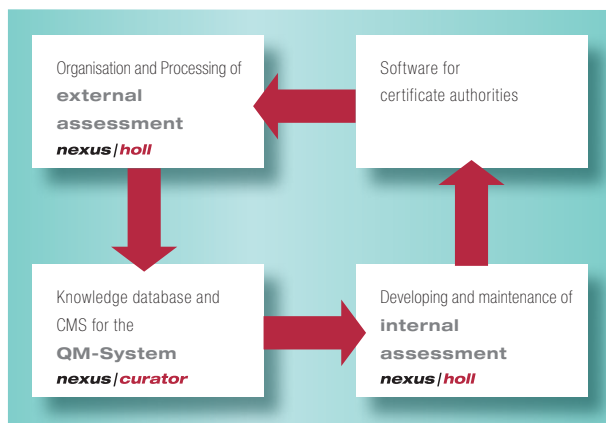
NEXUS AG acquired 100% of the shares of its computer partner Paschmann GmbH, Oberhausen as of 4 June 2007. With more than 250 customers, the company is one of the market leaders in the segment of pathology and cytology systems in the German-speaking areas. With this step, NEXUS is expanding its know-how base in this area and consequently is augmenting its product range of special medical solutions consistently.

The merger of two companies create an attractive concentration of industry skills for customers. The company has been working on the market under the name NEXUS / PASCHMANN since 16 July 2007. The "new" company site Oberhausen has been kept. In addition to competence as special supplier for pathology and cytology, NEXUS / PASCHMANN expands the portfolio of NEXUS Group by dictation management and voice recognition systems.

The solution from Paschmann will be expanded and use the NEXUS modules for expanding the pathology product portfolio. The integration of the systems is being achieved by adapting the two technologies to one another, whereby the product concept of a service-oriented, modular IT solution is being developed consistently further. In addition, the special solution is also being implemented with international partners in foreign countries.



140 pathology institutes and 90 cytology laboratories are documenting with Software of NEXUS / PASCHMANN



Closed QM-Loop with NEXUS-Software!

NEXUS / HOLL: Increased Engagement in Software-Supported Quality Management

NEXUS and Holl are combining their products in software-supported quality management: less administration work for customers and support of all customary certification processes in the health care system.

Holl GmbH founded in 1969 is a specialist for facilities of the health care system and developed the software tool AssessmentGuide. The software has been used for various quality models throughout Europe for more than 10 years. NEXUS acquired 100% of the shares of Holl GmbH, Munich, as of 28 August 2007.

With the subsidiary NEXUS / HOLL GmbH, which received its new name on 17 December 2007, NEXUS is increasing its previous involvement in the area of quality management systems in the health care system. The objective is to standardize the certification process further and reduce the administrative work of customers for certification processes. Certification processes such as KTQ and ProCum Cert are supported by this and become more significant again thanks to the easier handling. The tried-and-tested solution NEXUS / HOLL will be expanded further and merge with the knowledge database NEXUS / CURATOR. The combination of the systems represents an ideal supplement for the previous target groups. With this, NEXUS is providing a solution from one source for the first time, with which the complete control circuit of quality management can be closed.

The combination with NEXUS HIS is outstanding; quality management information is available to doctors and nurses for patient documentation online and context-related. NEXUS makes it possible to combine patient-related and organizational quality requirements consistently with this: a substantial added value in transparency and quality in the course of treatments.

“NEXUS in Innovation Competition”

Assessment of the Situation of NEXUS Product Development

Competition within medical informatics is not the least a question of the best software solution. In other words, the question of which company is able to provide a solution to the widest possible group of customers in the health care system, which supports medical and administrative processes in hospitals as optimally as possible.

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NEXUS has worked continually on the creation and expansion of an integrated, modular hospital information system over the past years. The primary focus is on the flexible depiction of hospital processes on the basis of a uniform data model. An essential component of this strategy is that processes are depicted on the basis of uniform modules and specific for target groups. This means that the requirements of various customer groups (e.g., psychiatric wards and institutions, large hospitals, hospital wards) are depicted on the basis of standardized medical and administrative modules. Consequently, we provide our customers with a customized standard solution, which can be maintained in the long term and upgraded. We have taken an essential step in innovation in our industry with this strategy.

Competition within medical informatics is not the least a question of the best software solution.

NEXUS system development was founded with the creation of a uniform data model, which can depict the processes of our customers comprehensively. Based on that, we developed the basic technology for documentation of case histories of patients and archiving associated documents and pictures. Thanks to the creation of an adaptable „basic case history“ for our different customer groups, we were able to provide a „standard patient file“ for the first time, which can also be adapted to the needs of each individual hospital. Then we expanded our system in the area of workflow and planning functions from electronic requests for findings to scheduling examinations and treatment and all the way to comprehensive support of patient-related communication between wards and departments. This includes automatic writing of doctors' letters and generating reports, which represent a substantial reduction of work for doctors on the basis of already recorded information.

We have designed our software specifically geared to the processes of individual customer groups and provide special adaptations for psychiatric institutions, hospitals and rehabilitation institutions.

We use our own brands names in market communication for these solutions (e.g., NEXUS / Med Folio and NEXUS / MEDICARE), which ensures a high degree of brand recognition.

We have expanded our system into other areas on this technological base in both clinical and administrative areas in the past periods. This was done both by our own developments as well as the purchase of technologies and know-how. Thanks to the purchase of companies, we have been able to integrate the areas of patient management and billing and last year financial accounting and materials management into our system landscape.

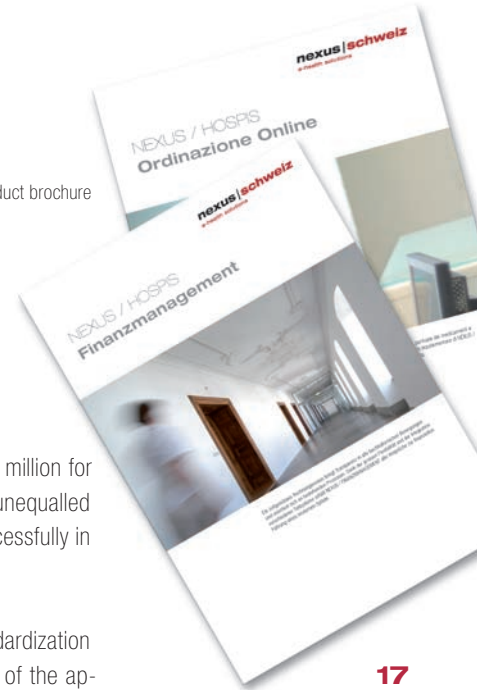
We have substantially expanded modules, which have a great deal of innovation potential. These include:

- medication, i.e., the medication prescription and administration process
- intensive care module, i.e., transfer of intensive care monitoring data and documentation of intensive care
- OP module, i.e., planning and documentation of operation processes
- charts, i.e., recording of vital parameters and nursing process documentation.

In addition, NEXUS invested heavily in solutions for diagnostic areas. The solutions are being integrated increasingly seamlessly into the overall application and work together with the hospital information system on the basis of standardized modules. In the radiological sector, we provide an integrated RIS/PACS solution (radiology information system/picture archiving system). In obstetrics, our online monitoring of CTG data and the documentation of the course of birth provide comprehensive system support for obstetrics. We depict the complete process in pathology and cytology incl. automatic voice recognition.

As the newest supplement to our range of products, we have included the area of quality and knowledge management. The increasing interconnection of quality assurance and institutional management of the quality process provides outstanding potential and reduced workloads in everyday hospital work thanks to the use of software.

Product brochure

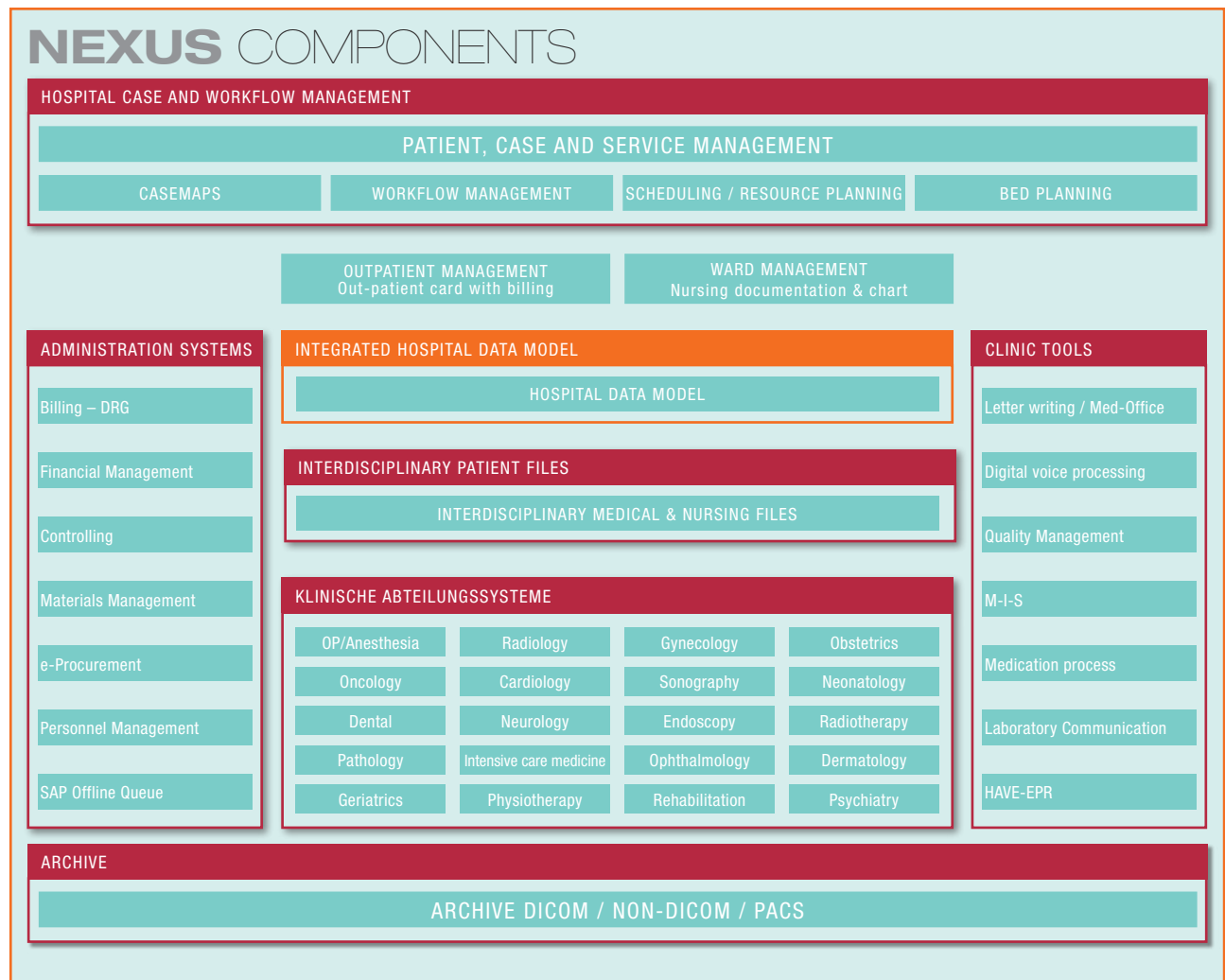


NEXUS invests approx. EUR 3.5 million annually in developing the systems and spent approx. EUR 14.0 million for acquisition of products and knowledge to expand and improve its system landscape. We have created an unequalled wide-ranging and very innovative system environment with these investments, which have been very successfully in both national and international competition.

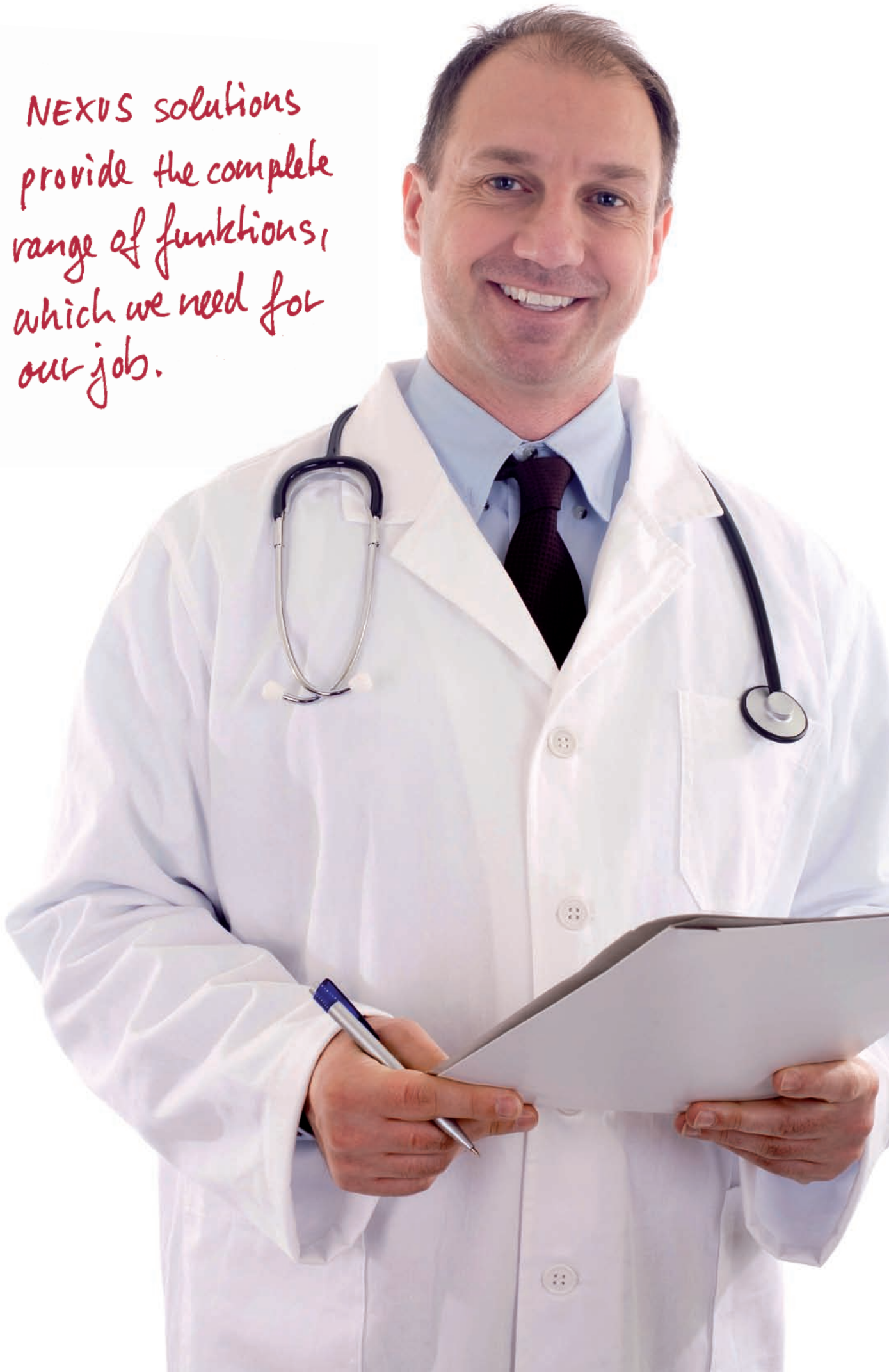
However, it is still much too early to consider our product development as having been completed. Standardization of the module levels and integration of the complete systems still have to be achieved in many areas of the application. In other medical areas, e.g., formation of health centers and integrated care, we have to react to market changes. In addition, we have to make our introduction and parameterization processes much more efficient and customer-oriented.

In conclusion, we can be very proud today of what we have achieved. We have developed an innovative product with very strong functions, which appeals nationally and internationally to a wide range of customer groups and obtains excellent results in competition.

We will also find the strength for the remaining course of development and continue to point the way in medical informatics.



NEXUS solutions
provide the complete
range of functions,
which we need for
our jobs.



NEXUS 2007: Total Engagement in Large Projects

With 102 new hospitals signed up, the year 2006 set an absolute record for the number of orders received by NEXUS AG and at the same time a challenge for ability of the company to carry out these projects. The year 2007 has also been very successful with respect to the number of orders received. We have again reached a high level with 72 new customers. It is especially good news that we have been able to get new customers in all product sectors. In the area of overall systems, we were able to generate enthusiasms in 21 new hospitals and psychiatric institutions for our products, and we have 51 new customers for ward/department solutions. Especially on the international level, a tendency of customers to contract software solutions for complete regions can be detected. This means that the hospitals of a region agree on use of a common system. The advantage is that patient information can be exchanged easily and there is synergy potential in software operation.

In the area of ward systems, NEXUS has also been very successful with radiology systems in 2007. Our integrated RIS-PACS is very popular with customers – a success, of which we are very proud. The same applies to the new area of quality and knowledge management, which 12 new customers have selected. We have also been able to realise the first installations of NEXUS / MATERIALS MANAGEMENT. This is a great success for this still young product in our portfolio. We have also been able to achieve success with our newly acquire product area of pathology systems. We have been able to generate enthusiasm at Heidelberg University Hospital for our solution and migrate a lot of regular customers to the new technology platform.

Independent of our great success with orders last year, 2007 was characterized decisively by implementation tasks of our current national and international projects. The in part very large software projects running several years have presented a great challenge to the achievement potential of the areas of development, project implementation and service.

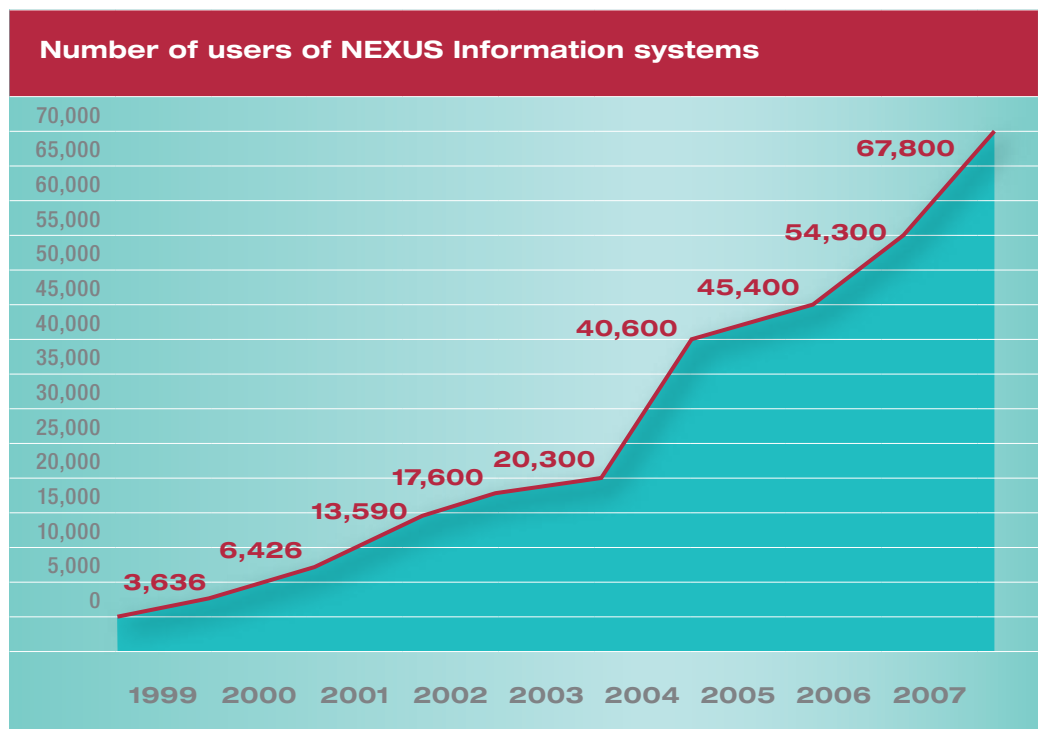
NEXUS is using this phase to institute fundamental structural improvements both in product design as well as in the area of introduction and maintenance tools.

This double challenge will make it possible for us in future periods to implement projects more quickly and in even better quality. We have to work very hard on this, especially in the introductory phase to increase customer satisfaction with professional project work. We are convinced that we have taken an important step with our new structural improvements. We will also focus on this area in 2008.

It is very clear that NEXUS is creating an outstanding basis for the future in its current projects. We have a lot of the most renowned and innovative hospitals and psychiatric institutions among our new customers.

Customers who demand top performance from us and prompt us to rethink our solutions time and again.

Together with them, improvements and innovations are created in our standard products that set benchmarks in the market. Consequently, we are also investing substantial means in these projects to take NEXUS-solutions to the top of the market with respect to innovation and modernity.



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 13,805,200.00

20 Equity capital

KEUR 43,506

Number of employees

302 (31.12.2007)

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 / GMT GmbH
Frankfurt am Main (D)

NEXUS / HOLL GmbH
Ismaning (D)

NEXUS / INOVIT GmbH
Ismaning (D)

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

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

NEXUS / MEDICARE GmbH
Ismaning (D)

NEXUS Medizinsoftware u. Systeme AG
Kreuzlingen (CH)

NEXUS / PASCHMANN GmbH
Oberhausen (D)

NEXUS Schweiz GmbH
Schwerzenbach (CH)



NEXUS on the MEDICA exhibition (D), 2007

MEDICA 2007 Surpassed our High Expectations

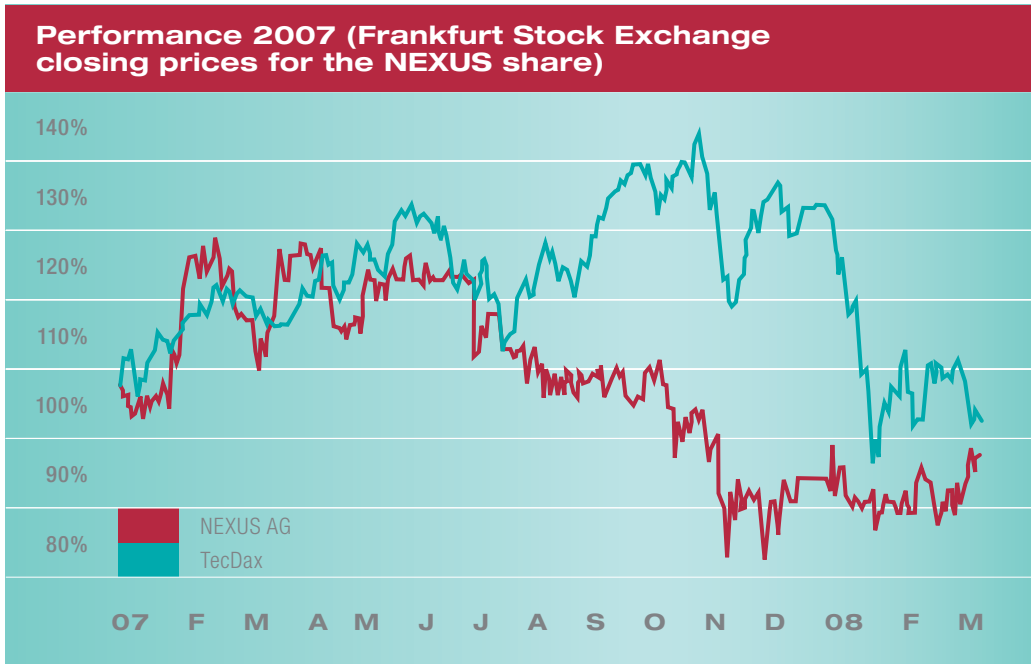
"A HIS for the specialist ward/department too" – NEXUS Group exhibited with this message at MEDICA 2007 in Dusseldorf. "The message was well received," Stefan Burkart, Executive Marketing Officer at NEXUS AG, summarized. "Interest in our e-Health solutions was very high with more than 500 trade fair visitors at this year's NEXUS booth. We are very pleased about this interest and are encouraged for the year 2008 not only due to this."

Approximately 137,000 trade visitors from 100 countries came to the whole trade fair along the Rhine during four days. The share of international visitors was 40 percent. From the more than 4,300 exhibitors at MEDICA, they were presented with a wide range of novelties for inpatient and outpatient care.

At NEXUS, product novelties such as the

- New user interface
- Far-reaching ward/department solutions
- The NEXUS / INTENSIVE CARE UNIT SOLUTION
- The module NEXUS / CHEST CENTER
- NEXUS / VOICE RECOGNITION

and the integration of the knowledge database NEXUS / CURATOR with the QM assessment tool NEXUS / HOLL were the focus.



Finance and Event Schedule

- 05/19/2008
Quarterly Report Q1/2008
- 06/16/2008
General Stockholders Meeting
11 a.m., Haus der Wirtschaft, Stuttgart / Germany
- 08/18/2008
Half Year Report 2008
- 11/10/2008
Quarterly Report Q3/2008
- 11/10/2008 - 11/12/2008
German Equity Forum, Frankfurt / Germany

Trade Fairs and Congresses

- 04/30/2008 – 05/03/2008
Deutscher Röntgenkongress, Berlin / Germany
- 05/08/2008 – 05/09/2008
SpitalDirektoren Symposium
Luzern / Switzerland
- 10/28/2008 - 10/31/2008
IFAS-Exhibition
Zurich / Switzerland
- 11/19/2008 – 11/22/2008
MEDICA Düsseldorf / Germany –
World's Largest Medicine Trade Fair

	12/ 31/2005	12/ 31/2006	12/ 31/2007
PERFORMANCE 2007 (FRANKFURT STOCK EXCHANGE CLOSING PRICES FOR THE NEXUS SHARE)			
High	4,73	3,94	4,24
Low	2,11	2,95	2,79
Market Capitalization (year end in million EUR)	51,04	46,05	43,49
Result per share in EUR (average)	0,02	0,05	0,08

the biggest advantage
of the IT solution from
NEXUS is that you can
take care of routine
work faster.



Overview of NEXUS solutions

NEXUS / MEDFOLIO

Hospital Information System for somatic institutions.

NEXUS / MEDICARE

Psychiatric Information System of NEXUS.

WORK FLOW

Controls the complete process of communicating findings.

+ NEXUS / CASEMAPS

A Navigation tool for your treatment guidelines with all aspects of diagnosis, therapy and documentation.

+ NEXUS / WORKFLOW

Controls the complete process of communicating findings.

+ NEXUS / SCHEDULER

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 / GYNECOLOGY AND OBSTETRICS

+ NEXUS / RADIOLOGY (RIS/PACS)

+ NEXUS / PATHOLOGY

+ NEXUS / CYTOLOGY

+ NEXUS / PSYCHIATRY

+ NEXUS / OP UND ANESTHESIA

+ NEXUS / DENTAL

+ NEXUS / CARDIOLOGY

+ NEXUS / ENDOSCOPY

NEXUS / DDC

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



Mousepad give-away

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CLINIC 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 / CLINICTOOLS

Results, Statistics, Reports and supporting Instruments for the HIS-Workflow.

+ NEXUS / MEDOFFICE

+ NEXUS / DIGITAL IMAGING

+ NEXUS / DIGITAL SPEECH SOLUTION

QUALITY MANAGEMENT

A knowledge database and an assessment-solution as tool set for quality management and -assurance according to established procedures (i.e.: KTQ, EFQM, proCumCert, BQS).

+ NEXUS / CURATOR

QM-Knowledge database – also suitable as CMS for Web-presences.

+ NEXUS / HOLL

QM-Assessment-Solution to established procedures.

NEXUS / ARCHIVING

Uniform archiving of all documents, pictures and films.

NEXUS / IT

IT-Consulting and SAP-Partner for the Healthcare sector.

Healthcare Installations Germany

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

* Several installations
per city

Healthcare Installations Worldwide

Belgium Brugge Brüssel* Dendermonde Rocourt-Liege Ronse St. Vith	Kuwait Bayan Safat	Netherlands Alkmaar Arnhem Delft Eindhoven Geldrop Gorinchem Leeuwarden Nijmegen* Tilburg* Zwolle	Reutte-Ehenbichl Ried im Innkreis Rohrbach Schärding am Inn Schwarzach im Pongau Schwarz St. Johann Steyr Vöcklabruck Wien* Zams	Ehenbichl Erlenbach Flawil Fribourg* Frutigen Grabs Grenchen Heiligenschwendi Herisau Horgen Illanz Lachen Langenthal Langnau i. Emmental Laufenburg Lausanne Liestal Locarno Lugano* Luzern* Maennedorf Marsens Meiringen Meyriez Münsingen Nottwil Olten Pfäfers Präfers Rheinfelden* Riaz Riggisberg Rorschach Saanen Samedan Schaffhausen* Schinznach Schlieren Schwyz Singine Solothurn St. Gallen* St. Pirminsberg	St. Urban Sursee-Wolhusen Tafers Thun Thuis Unterägeri Unterseen Uznach* Walenstadt Wattwil Wetzikon Will Zihlschlacht Zürich* Zweisimmen
Bulgaria Sofia	Kingdom Saudi-Arabia Al Kharj Dhahran* Hafr Al Batin Jeddah Jizan Jubail Khamis Madina Mushayet Najran Qassim Riyadh* Sharoura Tabuk* Taif* Wadi Al Dawasir	Norway Gjøvik Kristiansand Oslo Trondheim	Sweden Borås Lund Sundsvall Umeå	Switzerland Aarau* Aarberg Allerheiligenberg Altstätten Appenzell Baden Basel* Belp Bern* Biel Billens Bruderholz Brunnen Bülach Burgdorf Cham Châtel-St-Denis Crans-Montana Dornach	Spain Cordoba Fuenlabrada Reus - Tarragona
China Hongkong Nanjing		Austria Bad Ischl Bregenz Dornbirn Ehenbichl Eisenstadt Feldkirch Freistadt Gmunden Grieskirchen Hall in Tirol Innsbruck* Kirchdorf a.d. Krems Kitzbühel Kufstein Lienz Linz* Mauer Mistelbach		Türkei Diyarbakir	
Denmark Veijle	Principdom Liechtenstein Vaduz			USA Atlanta Birmingham Brooklyn Greenwood Nyack Phoenix Scottsdale Seattle South Carolina	
France Montrouge Lieviv	Luxembourg Esch-sur-Alzette Luxembourg*			* Several installations per city	
Great Britain Aberdeen Dundee Inverness Newcastle upon Tyne Nottingham	Macedonia Skopje				
Italy Bari Bologna* Bozen Bussolengo Palermo Ravenna Rom San Bonifacio Tarent Turin Vicenza					



Nexus provides integrated workflow processes between care units and the administrative areas.



Report of the Supervisory Board

NEXUS NEWS / customer magazine



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 2007. 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.

The Supervisory Board dealt in depth the topic of "Corporate Governance" in its session on 12 December 2007, 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 corresponding declaration is published in the Internet at www.nexus-ag.de and the year-end report on page 22.

In the four meetings 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 involved a detailed description of project risks and the further internationalization of the company.

The Supervisory Board set up a financial audit committee, which met once in the business year 2007. The Annual Financial Statement drawn up by the Executive Board of NEXUS AG, the Status Report, the Group Financial Statement and Group Status Report for the business year 2007 were audited with inclusion of the accounting of BDO Deutsche Warentreuhand AG, Auditing Company, Freiburg i. Br. The auditors did not raise any objections and confirmed this in an unrestricted audit certificate. The Annual Financial Statement documents and the auditing report were submitted to the Supervisory Board on time; it checked them thoroughly and discussed them in detail in the meeting of the Supervisory Board of 13 March 2008. The auditor also took part in the financial audit committee meeting and in the meeting on 13 March 2008 of the Supervisory Board, and the auditor reported about the essential results of the audit and answered any questions.

On the basis of the check of the financial audit committee and its own audit, the Supervisory Board approved the result of the check of the audit with a resolution of 26 March 2008. No objections were raised following the final result, in line with legal provisions, the check of the financial audit committee and the check by the Supervisory Board.

The Supervisory Board approved the Annual Financial Statement drawn up by the Executive Board, the Status Report, the Group Financial Statement and Group Status Report as of 31 December 2007. Consequently, the Annual Financial Statement has been completed.



The Supervisory Board would like to thank the staff and the Executive Board of the company for their successful work their high degree of personal dedication to the NEXUS AG and all associated companies. The Supervisory Board would also like to express its congratulations for a successful year 2007

Villingen-Schwenningen, den 26. März 2008
The Supervisory Board

Dr. Hans-Joachim König
Chairperson

Group Management Report 2007

I. DEPICTION OF THE GROUP AND THE COURSE OF BUSINESS

1. Development of NEXUS in the Overall Economic Environment

NEXUS is a supplier of IT solutions for hospitals and specialist clinics. With the core products:

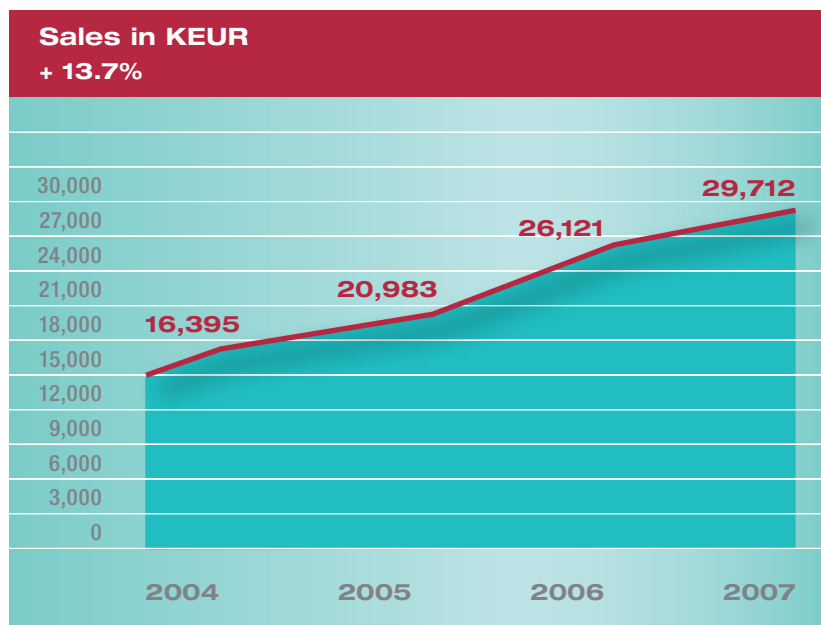
- NEXUS / MEDFOLIO: Complete information system for somatic hospitals
- NEXUS / MEDICARE: Complete information system for psychiatric institutions
- NEXUS / INOVIT: Radiology information and diagnosing system for radiology wards and offices
- NEXUS / GMT: Information system for obstetric institutes and gynecology
- NEXUS / HOSPIS: Complete administration information system for Swiss hospitals
- NEXUS / PASCHMANN: Information system for pathology and cytology institutes
- NEXUS / QM: Information system for quality management in the health care system

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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 administration processes, billing processes and course of treatments as well as for optimizing the quality of the documentation of patient data. 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, it 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 as in the past.

The year 2007 has been very successful with respect to the number of orders received. We have again reached a high level with 72 new customers. It is especially good news that we have been able to get new customers in all product sectors. In the area of overall systems, we were able to fill 21 new hospitals and psychiatric institutions with enthusiasm for our products, and we have 51 new customers for ward/department solutions. Especially on the international level, a tendency of customers to contract software solutions for complete regions can be detected.



Production and Company Integration

Thanks to purchase of 100% of the shares of Computer Partner Paschmann GmbH, Oberhausen on 4 June 2007, we have been able to expand our competence in the important diagnostic areas of pathology and cytology. In addition, the voice recognition technology developed by Computer Partner Paschmann GmbH was acquired and integrated into all Group applications.

We have substantially strengthened our previous involvement in quality management systems in the health care system with the purchase of 100% of the shares of Holl GmbH, Munich on 27 August 2007.

The continued technical and market-oriented integration of the products of the companies acquired over the past years was an essential focus of further internal development in 2007. Integration steps were taken both on the technical and on the organizational levels for this. Organizational integration of the MEDICARE and MEDFOLIO as well as INOVIT, GMT and PASCHMANN product areas is being pressed forward. Development of a uniform overall application for Germany (NEXUS.SD) has been achieved on the technological level.

Growth and Improvement in Performance

In 2007, the set goals of sales of 29.5 million and EBT of 1.3 million have been surpassed with sales of 29.7 million and EBT of 1.7 million..

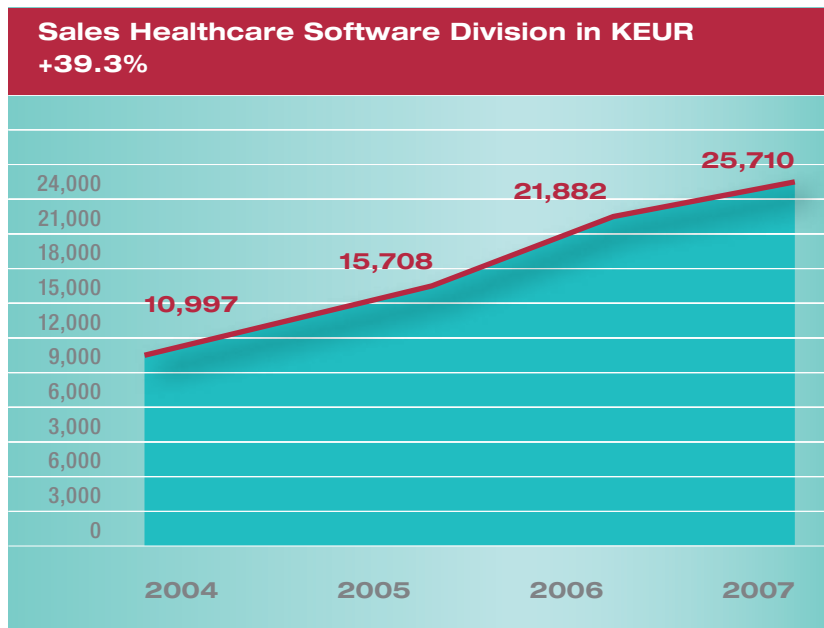
NEXUS expanded its own market position thanks to numerous new orders and improved its position in two core markets with the acquisition of Computer Partner Paschmann GmbH, Oberhausen, and Holl GmbH, Munich. The focus of NEXUS sales in 2007 was again in the Healthcare Software Division. In comparison to 2006, the division again achieved a substantial increase in sales. In addition to organic growth, this area was strengthened by the previously cited company acquisitions. NEXUS Schweiz GmbH was also included with a complete business year (seven months in the previous year) in the Group result.

The share of our international involvement again increased in the area of Healthcare Software in 2007. Sales growth was considerable due to the expansion of busi-

ness in Switzerland and outside 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

The year 2007 was again characterized by the focal points of "innovation projects" and "continuation of product integration of acquired systems" in product development. Substantial resources were invested in development and further development of new medical software components and services. Topics such as medication, intensive care medicine, OP, quality management 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 financial accounting and materials management solutions for the international market was also an essential step in 2007.



2. Assets, Finances and Profit Situation

The NEXUS Group had consolidated sales of KEUR 29,712 in 2007 following KEUR 26,121 in 2006. This represents an increase in sales of KEUR 3,591 (13.7%). The Computer Partner Paschmann GmbH share of growth was KEUR 1,297 (36.1%) and that of Holl GmbH was KEUR 87 (2.4%). NEXUS Schweiz GmbH, which was included for the complete business year in 2007 for the first time, was able to increase its consolidated sales by KEUR 1,581. The annual net profit for the year before taxes improved substantially from KEUR 1,127 in the previous year to KEUR 1,677 (+48.8%). KEUR 78 from Computer Partner Paschmann GmbH and KEUR -22 from Holl GmbH are included in the consolidated results figures.

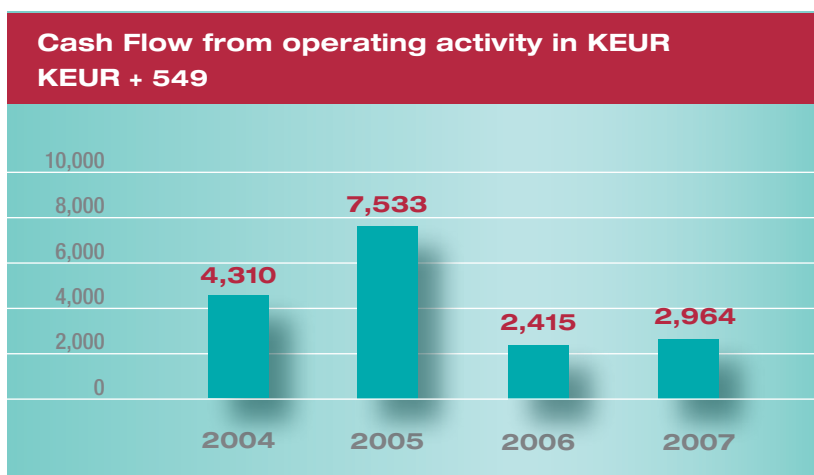
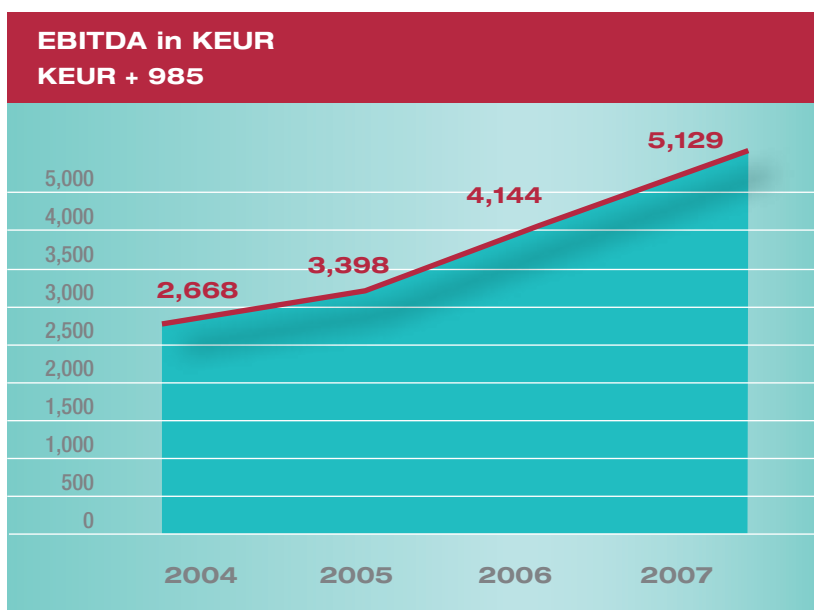
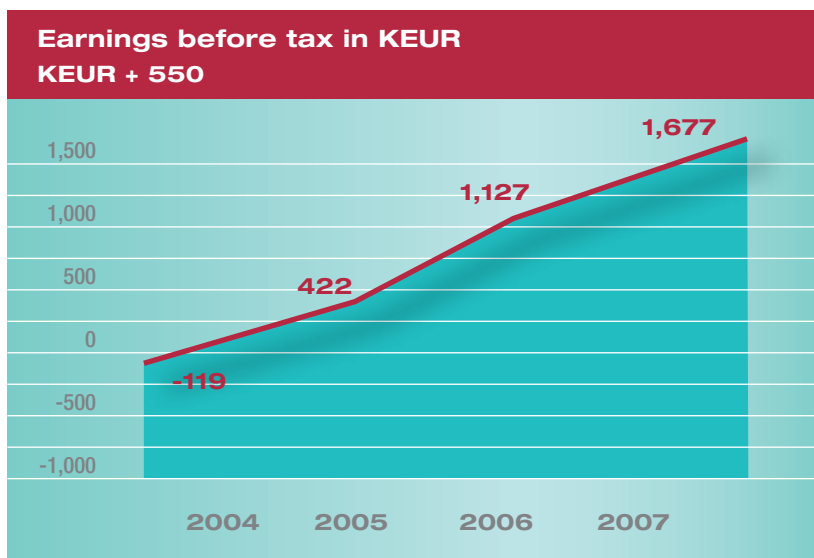
The EBITDA 2007 was KEUR 5,129 following KEUR 4,144 in 2006 (+ 23.8%). As a result, NEXUS AG has improved the EBITDA for the seventh time in succession on an annual basis. The pre-tax profit for the year after taxes and shares of third parties also improved substantially compared to the previous year to KEUR 1,163 (65.2%), whereby deferred tax burdens not affecting payment of KEUR 419 are contained in this amount. However, higher revenues are the main reason for the result improvement, especially in the product areas of NEXUS / MEDFOLIO and NEXUS / MEDICARE.

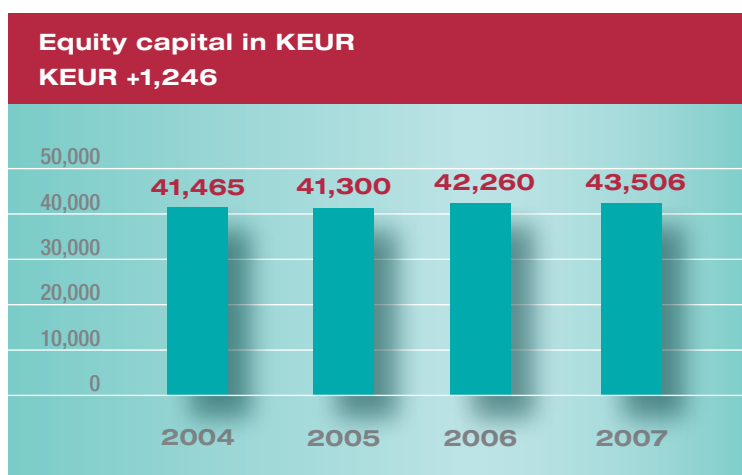
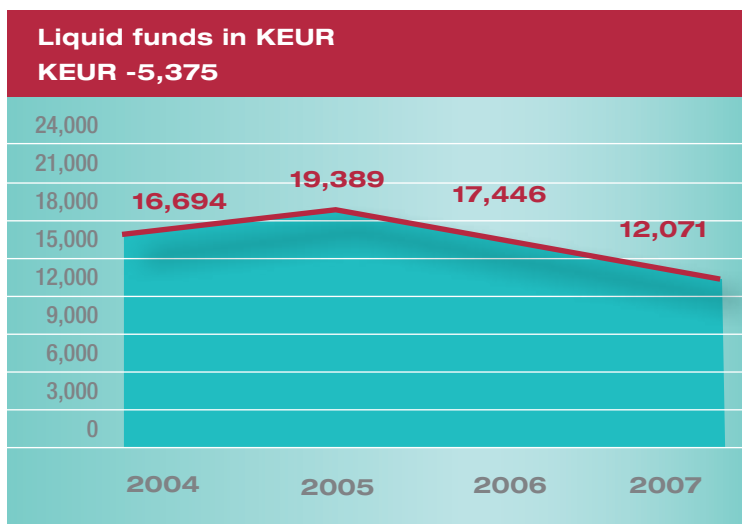
The segment results also show the same situation. The Healthcare Service Division improved its result from KEUR 468 in the previous year to KEUR 558 (+19.2%). The Healthcare Software Division achieved a result of KEUR 436 following a result of KEUR -39 in the previous year (+ KEUR 475).

The equity capital of NEXUS was KEUR 43,506 on the cut-off date following KEUR 43,506 in the previous year, which corresponds to an equity capital rate of 80.3% (previous year: 82.0%). The amount of liquid funds (including securities) as of 31 December 2007 declined to KEUR 12,071 (previous year: KEUR 17,446) and represents 22.3% (previous year: 33.8%) 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 2,964 was generated in 2007 following KEUR 2,415 the business year 2006 (+22.7%).

Especially the increase in receivables in the amount of KEUR 3,510 (2006: KEUR 2,521) prevents a substantial increase of the operative cash flow. The cash flow from investment activities before incoming/outgoing payments from sales/purchase of securities was KEUR 8,380 (previous year: KEUR 3,172) as of the balance sheet date and essentially explains the decrease of liquid funds (including securities).

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3. Course of Business of the Company Divisions

Health Care Software Division: Sales increases and a High Number of Orders on Hand

The Healthcare Software Division provides software products, which we created, on the international market for institutions in the health care sector. This area achieved sales of KEUR 25,710 in 2007 following KEUR 21,882 in the previous year. This represents an increase of 17.5%. The substantial growth of this sector is especially the result of the good order situation of the area of hospital information systems (MEDFOLIO / MEDICARE) and the integration of the acquired companies.

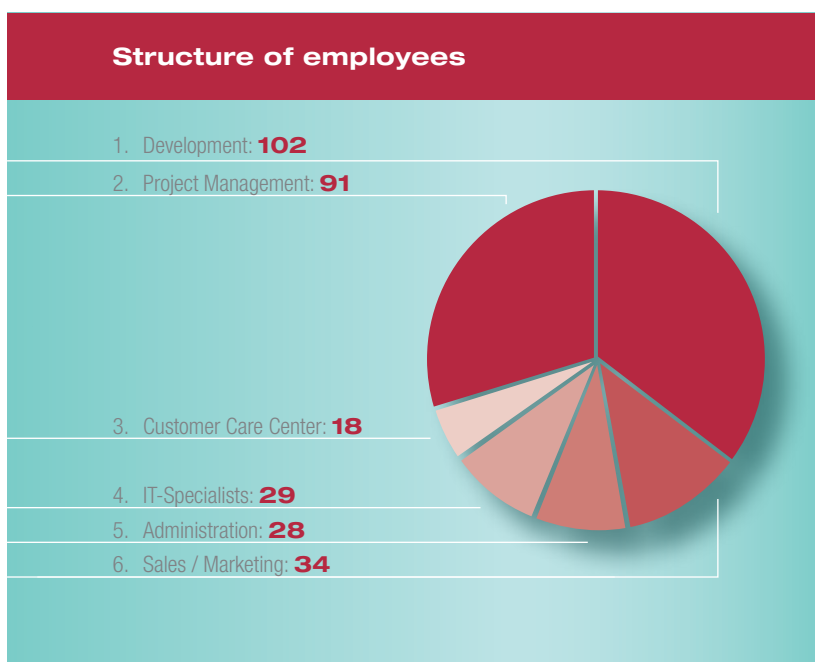
Healthcare Service Division: Successful Reorientation of Business

The Healthcare Service Division provides IT services for institutions in the healthcare system in Germany. Due to a further reduction in hardware business, KEUR 4,002 was earned following KEUR 10,767.06 cm 2006 and consequently sales declined despite successful new products (-5.6 %) But the adjustment of the product portfolio has resulted in a changed order structure and oriented the area strategically to the overall Group.

4. Personnel Developments

Competition for talented people in the market of medical information systems is already a tradition. In this area dependent on knowledge, in which medical knowledge is combined with informatics to create customer-oriented solutions, the success of development projects often depends on the knowledge and education of individuals. Consequently, NEXUS puts a great deal of value on efficient personnel management.

The number of employees and their structure at NEXUS has increased and changed considerably due to hiring new people and company acquisitions. While there were 249 employees in the previous year on the cut-off date of 31 December 2006, there are now 302 people employed in the NEXUS Group.



5. Investments / Acquisitions

The most significant investment in 2007 was the acquisition of the shares of Computer Partner Paschmann GmbH, Oberhausen. NEXUS AG purchased 100% of the shares of Computer Partner Paschmann GmbH, Oberhausen as of 4 June 2007. The goal of the acquisition is to expand competence in the special market of pathology and cytology and to find additional supplements for the hospital information systems of the NEXUS Group. The shares were bought for cash. A purchase price of KEUR 2,008 was agreed upon. In addition, the rights to the software products of Computer Partner Paschmann GmbH marketed by its affiliated company Paschmann Software KG und D.D.S. KG were also purchased at a price of KEUR 456 with the software purchase agreement of 4 June 2007.

The purchase costs for the company acquisition were KEUR 2,068. The purchase price was split in accordance with IFRS 3/ IAS 38 (revised 2004). KEUR 165 was identified as customer relations (customer base) and KEUR 44 as deferred tax asset. KEUR 2,052 were capitalized as goodwill.

The acquisition of the shares of Holl GmbH, Munich was also significant. NEXUS AG acquired 100% of the shares of Holl GmbH, Munich with the contract on 27 August 2007. The goal of the acquisition was to increase involvement in the market of quality management and to achieve market leadership in this area. The shares were bought for cash. A purchase price of KEUR 772 as well as various subsequent payment components dependent on performance were agreed upon. The purchase costs for the company acquisition were KEUR 805. The purchase price was split in accordance with IFRS 3/ IAS 38 (revised 2004). KEUR 29 was identified as customer relations (customer base) and KEUR 48 as deferred tax asset. KEUR 835 were capitalized as goodwill.

6. Development Services

Capitalized development costs increased by 15.5% at KEUR 3,833 (previous year: KEUR 3,320) compared to the previous year. The capitalized developments in 2007 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, NEXUS / INORMS, the radiology information system, NEXUS / GMT, the system for obstetrics and gynecology solutions, and especially the NEXUS / HOSPIS product series. Development costs increased in 2007 due to the newly added development area HOSPIS. The company does not conduct any research.

7. 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 13,805,200.00 is composed of 13,805,200 shares of common stock at the nominal accounting value of EUR 1.00 each. Jupiter Technologie GmbH & Co. KGaA, Schwäbisch-Hall, owns 16.0% of the NEXUS AG stocks. Additional direct or indirect shares in capital, which exceed 10% of the voting rights, do not exist. 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 include stock options and variable cash payments dependent on the business result of NEXUS AG. In addition, the company pays a share toward pension benefits.

Supervisory Board remuneration is regulated by Section 13a of the bylaws. It is based on the tasks and responsibilities of the Supervisory Board members as well as on the business success of the Group. Every Supervisory Board member receives an annual fee, which is composed of fixed and variable amounts. The fixed fee for the Supervisory

Board chairperson is EUR 12,500 and EUR 10,000 for the other Supervisory Board members. In addition, a variable fee dependent on the result is paid.

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).

With the ad-hoc announcement of 31 October 2007, the Executive Board of NEXUS AG published the resolution to make use of the empowerment of the general stockholders' meeting of 18 June 2007 to purchase own shares of the company in line with Section 71 Clause 1 no. 8 of the German Stock Corporation Law. The empowerment is restricted to the time period until 30 November 2008 and a scope of 10% of the equity capital. As of 31 December 2007, NEXUS AG purchased 7,120 shares of NEXUS stock at an average price of EUR 3.19.

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

Risk Management and Risk Reporting

NEXUS has had a controlling tool, which is part of risk management, since 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 that serves management as basis for the risk management system according to Section 91 (2) of the German Stock Corporation Law, including risk reporting. Especially the following risks have been identified and are monitored throughout the Group within the framework of the organizationally implemented risk management system:

- 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.
- Non-payment in large projects due to temporary shortage of liquid funds or customer refusal to pay can result in liquidity problems for the company, especially when substantial services in advance are provided.
- 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 can also influence the business situation negatively.

As every company, NEXUS is subject to management risks, which are countered with systematic reporting that defines the detailed planning and control processes.

Reporting, documentation and development of measures are regulated in the risk manual of NEXUS. The Executive Board checks its implementation at regular intervals. Risks were especially observed in the area of customer projects in 2007. 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. Exchange rate risks are created by sales made in Switzerland (Swiss francs) and in Arab regions (US \$) and the resultant receivables, which are subject to exchange rate fluctuations until payment. Derivative financial instruments have not been used till now. Non-payment risks or risks that a contractual partner cannot fulfill his payment obligations are controlled within the framework of debt management (e.g., credit investigations). Non-payment risk concentrations are created temporarily in the Group within large projects.

The maximum risk amount results from the book value of the capitalized finance instruments. 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 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. Risks from fluctuations of payment flows do not exist at this time due to the high liquidity and the increasingly smooth payment flows.

9. Outlook for Future Development: Standardization and Integration as Essential Opportunity

The year 2007 was characterized by the objective of implementing contracted customer projects in German and foreign countries and developing new functions further in line with customer requirements. At the same time, we have striven to achieve ambitious growth objectives and result improvements. NEXUS AG was able to realize its set goals completely in 2007 and even surpass them with respect to sales and result. In addition, we have received a large number of new orders and consequently have been able to increase the number of our orders on hand further for the coming years.

At the same time, we have realized that we still have deficits in standardizing our processes and systems and in integration within the Group. To achieve more customer satisfaction, we are going to invest more in these areas and make the perfection and standardization of our products and processes a priority in the coming months.

Against this background, we expect business to develop moderately but continue to increase in 2008. The basis for this assessment is the prediction 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 also considerable chance of achieving above-average growth.

Risks

The overall business situation does not have a substantial influence on NEXUS AG. Market risks exist especially in the budget restrictions of contract-awarding public authorities and in the field of competition. The market for software systems in the medical area is characterized by tough competition and strong supplier 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. Due to progressing consolidation, the possibility of a takeover by a competitor also continues to exist. Investments will again be made in product development and possibly in additional acquisition purchases in 2008. We also expect a clearly positive, operative cash flow, and the increased share in maintenance contracts and revenues from partnerships will increase revenues even more. The positive amount of orders on hand and the good contract outlook in international and national business also make these expectations realistic.

The market and product strategy of NEXUS AG will also be realised further in 2008. NEXUS as a modular, provider of open, complete medical information systems, which is able to provide its customers with target-specific solutions, is part of the known and successful positioning of our company. 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 possibility to integrate acquired products step-by-step and raise them to the same technological basis lies especially in the service-oriented architecture of our solutions.

We have achieved a competitive position rich in chances nationally and internationally over the past years and now are well equipped to grow further organically. At the same time, we have the possibility to keep a lookout for attractive acquisitions in this turbulent market and make our company group complete strategically. 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. In 2008, NEXUS will be able to build on these strengths, but it will also make the previously cited topics of „standardization“ and „integration of the product world and the organization“ into important priorities. These measures are necessary to continue the successful path of the past years with two-figure sales and result growth in the long term. This will also be the decisive objective of NEXUS AG in 2009.

10. Subsequent Events

No events of special significance occurred between the time of the balance sheet cut-off date and drawing up of the financial report, which would require reporting.

Villingen-Schwenningen, 19. März 2008

NEXUS AG
The Management Board

Consolidated Financial Statements 2007

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CONSOLIDATED BALANCE SHEET OF DECEMBER 31, 2007		NOTES	12/31/2006 (ADJUSTED)	12/31/2007
ASSETS			KEUR	KEUR
LONG-TERM CAPITAL				
I. Intangible assets	(4) (8)		18,846	23,031
1. Concessions / Licenses			130	216
2. Goodwill			7,749	10,586
3. Development costs			8,311	8,888
4. Customer Base / Technology	(3)		2,656	3,341
II. Property, plant and equipment	(6) (8)		694	1,009
1. Tenant installations			5	25
2. Factory and office equipment			689	984
III. Financial assets	(7) (8)		88	143
1. Investments in associates			48	48
2. Other tangible assets			40	95
IV. Deferred taxes	(9) (26)		4,559	3,899
TOTAL LONG-TERM CAPITAL			24,187	28,082
SHORT-TERM CAPITAL				
I. Inventories	(10)		312	316
1. Raw materials and supplies			75	74
2. Work in progress			195	121
3. Finished goods			42	121
II. Receivables and other assets	(10)		9,601	13,685
1. Trade receivables			7,175	10,099
2. Receivables from associated companies			11	53
3. The gross amount due to customers for projects as an asset			–	544
4. Tags refund claims			368	432
5. Other assets			2,047	2,557
III. Securities	(11)		14,691	9,681
IV. Cash and cash equivalents			2,755	2,390
TOTAL SHORT-TERM CAPITAL			27,359	26,072
TOTAL ASSETS			51,546	54,154

**CONSOLIDATED BALANCE SHEET OF DECEMBER 31, 2007
EQUITY AND LIABILITIES**

	NOTES	12/31/2006 (ADJUSTED)	12/31/2007
		KEUR	KEUR
EQUITY			
I. Subscribed capita	(12a)	13,720	13,805
II. Capital reserve	(12c)	39,131	39,372
III. Other reserves		1	–
IV. Equity capital difference from currency translation	(12d)	8	10
V. Valuation reserve for financial instruments	(12e)	-94	-383
VI. Reserve for pensions	(12f) (13)	-126	-89
VII. Loss carry-forward		-11,370	-10,666
VIII. Annual net profit / loss		704	1,163
IX. Treasury stock	(12b)	–	-26
EQUITY CAPITAL ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT COMPANY		41,974	43,186
Minority interest		286	320
TOTAL EQUITY		42,260	43,506
LONG TERM LIABILITIES			
I. Pension provisions	(13)	595	545
II. Other provisions	(9) (26)	1,921	1,529
TOTAL LONG TERM LIABILITIES		2,516	2,074
SHORT-TERM LIABILITIES			
I. Other provisions	(14)	715	590
II. Bank loans	(15)	43	185
III. Received payments or orders		187	1,182
IV. Trade accounts payable		2,343	2,500
V. Liabilities with associated companies	(15)	15	22
VI. Tax liabilities	(15)	701	804
VII. Other liabilities	(15)	2,766	3,291
TOTAL SHORT-TERM LIABILITIES		6,770	8,574
TOTAL LIABILITIES AND EQUITY		51,546	54,154

CONSOLIDATED PROFIT AND LOSS ACCOUNT	NOTES	2006	2007
		(ADJUSTED)	
		KEUR	KEUR
1. Revenue	(18)	26,121	29,712
2. Increase / decrease in finished goods and work in progress		-152	23
3. Other capitalized company work		3,320	3,834
4. Other operating income	(19)	1,117	1,440
5. Cost of materials	(20)	5,991	6,522
a) Cost of raw materials and supplies		4,995	5,346
b) Cost for purchased services		996	1,176
6. Personnel expenses	(21)	14,055	16,900
a) Wages and salaries		11,817	14,453
b) Social costs		2,238	2,447
7. Depreciation and amortization of fixed intangible and tangible assets	(8)	3,715	4,135
8. Other operating expenses	(22)	6,204	6,435
a) Cost of operation		1,453	1,576
b) Cost of distribution		1,340	1,776
c) Cost of administration		1,618	2,211
d) Other expenses		1,793	872
9. Other taxes		12	23
OPERATING INCOME		429	994
10. Revenue from associated companies	(23)	3	9
11. Interest and similar income	(24)	713	689
12. Interest payable and other similar charges	(25)	18	15
PROFIT BEFORE TAX		1,127	1,677
13. Income taxes	(26)	-327	-480
ANNUAL NET PROFIT		800	1,197
Are attributable to:			
14. Stockholders of parent companys		704	1,163
15. Minority interest		96	34
		800	1,197
Weighted average of issued shares (in thousands)		13,720	13,791
RESULT PER SHARE IN EUR (DILUTED AND UNDILUTED)	(27)	0.05	0.08

OTHER COMPREHENSIVE INCOME			
Actuarial profits and losses		24	77
Currency conversion differences		0	2
Valuation of financial instruments at Fair Value		-158	-384
Deferred taxes		49	54
INCOME AND EXPENSES ENTERED DIRECTLY IN EQUITY CAPITAL		-85	-251
ANNUAL NET PROFIT		800	1,197
OVERALL RESULT OF THE PERIOD		715	946

CASH FLOW

	NOTES	2006 (ADJUSTED)	2007
		KEUR	KEUR
1. CASH FLOW FROM OPERATING ACTIVITIES	(29)		
Profit before minority interest and before tax		1,127	1,677
Depreciation and amortization of intangible assets and plant, equipment and other fixed assets		3,715	4,135
Other expenses / income with no impact on cash		114	123
Profit / loss from disposal of long term capital		43	135
Profit / loss from disposal of securities		45	46
Increase / decrease in inventories		267	55
Increase / decrease in trade receivables and other assets that cannot be allocated to investing or financing activities		-1,894	-3,110
Changes in provision not included in equity		252	-144
Increase / decrease in trade accounts payable and other liabilities without attribution to investing and financing activities		-2,001	-573
Interest paid		-18	-14
Interest payments received		815	693
Income taxes paid		-207	-243
Income taxes received		157	184
		2,415	2,964
2. CASH FLOW FROM FINANCING ACTIVITIES	(30)		
Cash paid for investments in property, plant and equipment / intangible assets		-3,777	-5,613
Purchase of subsidiaries after deduction of acquired payment means		605	-2,667
Cash received from disposal of securities		11,197	6,663
Cash paid for investments in securities		-9,853	-1,994
		-1,828	-3,611
3. CASH FLOW FROM FINANCING ACTIVITIES	(31)		
Cash received for equity		0	166
Compensation of IPO costs		131	0
Amount paid out for redeeming loans		-1,179	0
Purchase common shares		0	-26
		-1,048	140
4. CASH AND CASH EQUIVALENTS AT END OF FISCAL YEAR	(32)		
Cash-relevant changes in cash and cash equivalents (sum of 1 + 2 + 3)		-461	-507
Change in currency translation adjustment		22	0
Cash and cash equivalents at beginning of fiscal year		3,151	2,712
		2,712	2,205
5. COMPOSITION OF CASH AND CASH EQUIVALENTS			
Cash on hand		2,755	2,390
Bank liabilities due on demand		-43	-185
		2,712	2,205

DEVELOPMENT OF GROUP EQUITY FOR THE FISCAL YEARS 2006 AND 2007	SUBSCRIBED CAPITAL	CAPITAL RESERVES	OTHER PROVISIONS	EQUITY DIFFERENCE FROM CURRENCY CONVERSION	RESERVE FOR FINANCIAL INSTRUMENTS
	KEUR	KEUR	KEUR	KEUR	KEUR
CONSOLIDATED EQUITY AS OF 1 JANUARY 2006	13,720	38,886	1	8	4
Transfer of 2005 consolidated loss to consolidated loss carry-forward					
Total income entered directly in equity capital					-98
Profit before tax 2006					
OVERALL RESULT OF THE PERIOD	0	0	0	0	-98
Stock-based payment		114			
Compensation of IPO-costs in 2000		131			
CONSOLIDATED EQUITY ON DECEMBER 31, 2006	13,720	39,131	1	8	-94
Profit before tax 2006 entered directly in accumulated deficit					
Total income entered directly in equity capital			-1	2	-289
Profit before tax 2007					
OVERALL RESULT OF THE PERIOD	0	0	-1	2	-289
Exercised stock options	85	80			
Purchase common shares					
expenses in shared-based compensation		-4			
Stock-based payment		165			
CONSOLIDATED EQUITY ON DECEMBER 31, 2007	13,805	39,372	0	10	-383

RESERVE FOR PENSIONS	CONSOLIDATED LOSS CARRY FORWARD	CONSOLIDATED DEFICIT / PROFIT	TREASURY STOCK	EQUITY CAPITAL ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT COMPANY	MINORITY INTEREST	SUM EQUITY	AUTHORIZED CAPITAL
KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
-139	-11,632	262	0	41,110	190	41,300	6,860
	262	-262		0		0	
13				-85		-85	
		704		704	96	800	
13	0	704	0	619	96	715	
				114		114	
				131		131	
-126	-11,370	704	0	41,974	286	42,260	6,860
	704	-704		0		0	
37				-251		-251	
		1,163		1,163	34	1,197	
37	0	1,163	0	912	34	946	
				165		165	
			-26	-26		-26	
				-4		-4	
				165		165	
-89	-10,666	1,163	-26	43,186	320	43,506	6,860

Group Appendix

for the Business Year 2007

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 on 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. NEXUS AG is the highest ranking parent company.

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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.

This Appendix was written for the Group Financial Report for the business year 2007 of NEXUS AG, Villingen-Schwenningen. The Group Financial Report, on which it is based, was drawn up by the Executive Board and will be approved by the Supervisory Board and released for publication on 26 March 2008.

LIST OF SUBSIDIARIES CONSOLIDATED	12/31/2006	12/31/2007
	SHARES OF CAPITAL IN %	
FULL CONSOLIDATION		
NEXUS Digitale Dokumentationssysteme Projektentwicklungsges.mbh, Wien	100.00	100.00
NEXUS / GMT GmbH, Frankfurt am Main	100.00	100.00
NEXUS / HOLL GmbH, Ismaning	–	100.00
NEXUS / INOVIT GMBH, Ismaning	91.49	91.49
NEXUS.IT GmbH NORD, Villingen-Schwenningen	100.00	100.00
NEXUS.IT GmbH SÜDOST, Villingen-Schwenningen	50.20	50.20
NEXUS.IT GmbH SÜDWEST, Villingen-Schwenningen	100.00	100.00
NEXUS Italia S.r.l., Bologna	80.00	80.00
NEXUS / MEDICARE GmbH, Ismaning	100.00	100.00
NEXUS Medizinsoftware und Systeme AG, Kreuzlingen	99.98	99.98
NEXUS / PASCHMANN GmbH, Oberhausen	–	100.00
NEXUS Schweiz GmbH, Schwerzenbach	100.00	100.00
EQUITY-KONSOLIDIERUNG		
G.I.T.S Gesundheitswesen IT-Service GmbH, Fürstentfeldbruck	49.00	49.00
Medidata GmbH, Berlin	25.00	25.00
VEGA Software GmbH, Aachen	30.00	30.00

2. Accounting and Valuation Method

2.1 Principles for Creating the Annual Statement

This Group Financial Report has been prepared in keeping with the provisions of International Accounting Standards Board (IASB) required by the European Union following the balance sheet cutoff date in accordance with Section 315a Clause 1 of the German Commercial Code and the supplementary commercial law regulations. It is in keeping with the provisions of International Financial Reporting Standards (IFRS) applicable on the cutoff date, including the still applicable International Accounting Standard (IAS) and supplementary interpretations (IFRIC and SIC). Standards and interpretations of IASB, which are not applicable yet, have not been used.

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

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 42).

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 2007 have the calendar year as business year. Computer Partner Paschmann GmbH, Oberhausen (today: nexus / paschmann GmbH), acquired in 2007, is consolidated in the Group starting in June 2007. Holl GmbH, Schwerzenbach (today: NEXUS / HOLL GmbH), also acquired in 2007, is consolidated in the Group starting in September 2007.

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 IFRS 3. The operating result shares, which other companies are entitled to, are shown separately below the profit and loss according to their shares are shown as separate positions within equity capital. The acquisition of Computer Partner Paschmann GmbH and Holl GmbH was carried in the balance according to the purchase method. Expenditures and revenues starting from June 2007 (NEXUS / Paschmann GmbH) and September 2007 (NEXUS / HOLL GmbH) are contained 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 consolidated 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 Group Companies in Switzerland are accordingly converted with the cutoff date exchange rate of 1.6562 Sfr / Eur, the profit and loss account with the average exchange rate of 1.6427 Sfr / Eur, and the equity capital at historic rates.

2.2 Change of the Accounting and Valuation Method

The applied accounting and valuation methods correspond in principle to the methods used in the previous year. However, the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) have decreed a new standard and the adjustment of existing standards as well as a few new interpretations, which are obligatory for the business year 2007. These are:

- IFRS 7 "Financial Instruments: Disclosures" adjustment of IAS 1 "Presentation of Financial Statements" Equity Capital Disclosures"
- IFRIC 7 "Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies"
- IFRIC 8 "Scope of IFRS 2"
- IFRIC 9 "Reassessment of Embedded Derivatives"
- IFRIC 10 "Interim Financial Reporting and Impairment"

Supplementary Appendix disclosures result from application of IFRS 7 and the changed IAS1. Otherwise, there are no effects on the assets, finances and profit situation of the Group.

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”, which 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.

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.

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IFRS and IFRIC Not Applied Yet

NEXUS AG intends in principle to consider all standards at the time of the initial, obligatory application. The Group has not applied the following standards and interpretations, which have already been published but have not taken effect yet, in advance.

- IAS 23 “Borrowing Costs” (revised)
- IFRS 8 Operating Segments
- IFRIC 11 IFRS 2: Group and Treasury Share Transactions
- IFRIC 12 Service Concession Arrangements
- IFRIC 13 Customer Loyalty Programmes
- IFRIC 14 The Limit on a Defined Benefit Asset.

Due to lack of essential borrowing costs, no essential effects result from first-time application of IAS 23. IFRS 8 requires disclosure of information about the operating segments of a Group and replaces the previous regulation IAS 14. Consequently, no effects are expected on the first-time application of IFRS 8 other than the additional or changed information. In all probability, no essential effects and/or changes will result from the cited IFRIC insofar as these are decisive for the Group.

The shown values of the previous year were determined in principle according to the same accounting and valuation methods used in the present year. For reasons of comparison, changed or supplemented position names and consolidations in the balance sheet, profit and loss account, and the flow of funds analysis are adjusted for reasons of clarity with respect to those shown for the previous year. This did not produce any effects on the shown assets, finances and profit situation 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 10,586 on 31 December 2007. You can find further details about this in the Appendix under point 4.

Identified Customer Base and Technology at Company Acquisitions

The adjusted current value of the acquired maintenance contracts (customer base) and acquired technology at the time of the company acquisitions was determined on the basis of estimated benefits, especially on the basis of future expected payments surplus discounted by an appropriate interest rate and written off linearly over the expected time of use. As of 31 December 2007, the value of capitalized customer base and technologies was KEUR 3,341.

Development Costs

Development costs are capitalized in line with the balance sheet and estimation method explained in 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 8,888 on 31 December 2007 (2006: KEUR 8,311).

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 and will remain available for this, 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. As of 31 December 2007, the value of the considered tax losses was KEUR 22,961 and the value of tax losses not considered was KEUR 35,863. Additional details are provided in Appendix item 9 and 26.

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 amounted to KEUR 545 on 31 December 2007 (previous year: KEUR 595). You can find further details about this in the Appendix under point 13.

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 adjusted value at the time
- c) Financial assets available for sale
- d) Loans and receivables extended 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 Base

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 customer base and deferred tax payments were identified as immaterial assets within the acquisition of Computer Partner Paschmann GmbH and Holl GmbH. This was capitalized at the cash value. A period of use of 10 years was assumed for the customer bases. 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) 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 depreciation 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, 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.

e) 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 assets
- 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-offs of the development costs are contained in the amortizations of intangible assets and fixed assets in the Profit and Loss Account.

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.

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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.

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 affiliated companies 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 affiliated company 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 affiliated company. Changes entered directly in the

equity capital of the affiliated company 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 cutoff date of the affiliated companies corresponds to that of the Group. The balance sheet date and the accounting and estimation methods of the affiliated companies and the Group are similar business without essential deviations from the viewpoint of the Group. The other financial assets (loans) are carried in the balance according to IAS 39 at their carried forward procurement costs.

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Deferred Taxes

Deferred taxes are determined using accounting-based liabilities method on all temporary differences existing between 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, affiliated companies 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, affiliated companies 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 finished and incomplete performances 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 they 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 if 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 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 is 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 agreed 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 revenues, for which a fixed price was agreed upon, are realized corresponding to their performance progress in accordance with IAS 11 and IAS 18 if the amount the revenues can be measured reliably, it is sufficiently probable that economic benefits will be reaped, and the incurred and still expected costs can be determined reliably.

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.

3. Company Mergers

Purchase of Computer Partner Paschmann GmbH

NEXUS AG purchased 100% of the shares of Computer Partner Paschmann GmbH, Oberhausen with the share purchase agreement of 4 June 2007. The purchase costs were KEUR 2,068.

Thanks to acquisition of Computer Partner Paschmann GmbH, NEXUS AG has expanded its industry competence in the health care system. Under the name NEXUS / PASCHMANN GmbH, the company will act on the market in the area of pathology and cytology as supplier of workflow systems and diagnosis management. The purchased assets and debts were included in the balance sheet with their adjusted, current value and are as follows: See table below.

The identified and evaluated assets and debts identified in setting the purchase prices are essentially composed of customer relations (KEUR 165) and deferred tax claims (KEUR 44) at the purchase time.

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ASSETS / LIABILITIES NEXUS / PASCHMANN GMBH	VALUE TO BE ATTRIBUTED ON DATE OF ACQUISITION	BOOK VALUE
	EUR	EUR
POSITIONS ASSETS / DEPTS		
Cash on hand	156,381.88	156,381.88
Intangible assets	169,290.00	4,034.00
Fixed assets	53,458.00	53,458.00
Financial assets	33,058.14	33,058.14
Receivables	359,017.35	359,017.35
Inventories	57,784.30	57,784.30
Prepaid taxes	44,310.00	0.00
	873,299.67	663,733.67
Tax liabilities	1,303.00	1,303.00
Provisions	5,502.21	5,502.21
Liabilities	850,154.31	850,154.31
	856,959.52	856,959.52
NET ASSET BY 05/31/2007	16,340.15	-193,225.85
Goodwill	2,051,659.72	
TOTAL ACQUISITION COSTS	2,067,999.87	
Acquisition costs are composed of:		
Purchase price paid in cash	2,008,448.66	
Incidental procurement expenses	59,551.21	
TOTAL ACQUISITION COSTS	2,067,999.87	
Means of payment from this acquisition development as follows:		
Minus purchased means of payment	156,381.88	
Cash paid acquisition costs	2,067,999.87	
ACCRUAL OF PAYMENT-FUNDS	-1,911,617.99	

There is no valuation for the asset of technology, because the rights to the software products marketed by Computer Partner Paschmann GmbH are held by the affiliated company Paschmann Software KG und D.D.S. KG. NEXUS AG also purchased rights to the program packages for KEUR 456 with the software purchase agreements of 4 June 2007.

The goodwill of KEUR 2,052 capitalized within the framework of the acquisition is based on the expected synergies in the merging of business operations as well as individual assets, which can be capitalized and cannot be separated according to IFRS (e.g., possibility of market access and skills of the employees).

NEXUS / PASCHMANN GmbH was allocated to business division of Healthcare Software in line with its revenue potential and consolidated starting from June 2007. The company had profits of KEUR 78 and a consolidated sales contribution of KEUR 1,297 last year.

Purchase of Holl GmbH

NEXUS AG purchased 100% of the shares of Holl GmbH, Munich with the contract on 27 August 2007. The purchase costs were KEUR 805.

With the purchase of HOLL GmbH, NEXUS AG is increasing its previous involvement in the area of quality management systems in the health care system. The software standardizes the certification process of customers and reduces the administrative work of customers for certification processes. The purchased assets and debts of Holl GmbH are as follows with their adjusted, current value: See table on the right

The influences of the purchase price allocation to the balance sheet and the profit and loss account are taken from the adjusted, current values of the intangible assets. Preliminary intangible asset values were identified and valued on one hand as customer base (KEUR 29) and deferred tax claims (KEUR 48). The remaining difference between purchase price and adjusted, current value is shown as goodwill (KEUR 835). Immaterial assets are contained in that, which can neither be measured independently nor reliably. These especially refer to synergies and new possibilities of accessing the market.

NEXUS / Holl GmbH was consolidated in the NEXUS Group as of September 2007, allocated to the business division of Healthcare Software and had profits of KEUR -22 and a consolidated sales contribution of KEUR 87

in the past year. In addition, the share purchase agreement has a variable purchase price component. This can result in back payments if specific sales are achieved. We assume that no back payment will be due during the term of this agreement until 2010. In addition, we refer to the information under the item „Possible Liabilities and Other Obligations“.

ASSETS / LIABILITIES NEXUS / HOLL GMBH	VALUE TO BE ATTRIBUTED ON DATE OF ACQUISITION	BOOK VALUE
	EUR	EUR
POSITIONS ASSETS / DEPTS		
Cash on hand	49,839.49	49,839.49
Intangible assets	28,696.00	152.00
Fixed assets	2,122.00	2,122.00
Financial assets	50.00	50.00
Receivables	24,130.18	24,130.18
Inventories	0.00	0.00
Prepaid taxes	47,708.00	0.00
	152,545.67	76,293.67
Provisions	800.00	800.00
Liabilities	181,496.49	181,496.49
	182,296.49	182,296.49
NET ASSET BY 08/31/2007	-29,750.82	-106,002.82
Goodwill	834,864.70	
TOTAL ACQUISITION COSTS	805,113.88	
Acquisition costs are composed of:		
Purchase price paid in cash	772,000.00	
Incidental procurement expenses	33,113.88	
TOTAL ACQUISITION COSTS	805,113.88	
Means of payment from this acquisition development as follows:		
Minus purchased means of payment	49,839.49	
Cash paid acquisition costs	805,113.88	
ACCRUAL OF PAYMENT-FUNDS	-755,274.39	

4. Intangible Assets

The intangible assets contain maintenance contracts/customer base, concessions/licenses, goodwill, technologies and development costs. The concessions / licenses basic refer to software. The individual positions have the following book values on the balance sheet cutoff date:

	12/31/2006	12/31/2007
	KEUR	KEUR
Concessions / Licenses	130	216
Goodwill	7,749	10,586
Development costs	8,311	8,888
Customer Base / Technology	2,656	3,341
	18,846	23,031

The capitalized goodwill was created via acquisition of the shares of the NEXUS / medicare GmbH, Munich, NEXUS / GMT GmbH, Frankfurt a. M., NEXUS Schweiz GmbH, Schwerzenbach, Computer Partner Paschmann GmbH, Oberhausen (hereafter referred to as NEXUS / PASCHMANN GmbH) and Holl GmbH, Munich (hereafter referred to as NEXUS / Holl GmbH). The goodwill for NEXUS / GMT GmbH is KEUR 1,789, for NEXUS / MEDICARE GmbH KEUR 4,290, for NEXUS / PASCHMANN GmbH KEUR 2,052 and for NEXUS / HOLL GmbH KEUR 835. In addition, a capitalized company value was capitalized at the initial consolidation time in the amount of KEUR 1,723 via the acquisition of NEXUS Schweiz GmbH, Schwerzenbach. This was KEUR 1,620 on the cutoff date due to exchange rate fluctuations.

Within the framework of the split of the purchased assets, a total of KEUR 309 was capitalized at cash value as customer relations (customers base) for NEXUS Schweiz GmbH, 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 in 2005, a total of KEUR 535 was capitalized as customer relations (customer base), 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 base (use length: 7 years) and KEUR 1,875 as technology (use length: 15 years), which will be written off linearly. In 2007, KEUR was identified as customer base and capitalized at cash value NEXUS / PASCHMANN GmbH and KEUR 29 for NEXUS / HOLL GmbH. The write-off is for the expected consumption of the future economic benefit of the asset of 10 years. Write-offs in 2007 for the assets identified in the framework of acquisitions amount to KEUR 71 for NEXUS Schweiz GmbH (previous year: KEUR 51), KEUR 81 (previous year: KEUR 81) for NEXUS / GMT GmbH, KEUR 182 (previous year: KEUR 182) for NEXUS / MEDICARE GmbH, KEUR 26 for NEXUS / PASCHMANN GmbH and KEUR 3 for NEXUS / HOLL 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 3,833 (previous year: KEUR 3,320) in 2007. 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 3,255 (previous year: 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 and 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 on the balance sheet cutoff date. 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 used for the cash flow forecasts is 9.9 % (2006: 9.75%) depending on the risk analysis. Cash flows after a period of three years are extrapolated with a growth rate, which is considered in calculations with a flat deduction in the discount interest rate. The utilization value of the three units generating means of payment is based on forecasts, which include uncertainties in the estimations. Essential uncertainties are in the following positions:

- Profit margin
- Discount rate
- 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

The discount rate reflects the estimation of the Executive Board with respect to specific risks of the respective units generating means of payment. Future investment projects are evaluated via this interest rate.

Development of Market Shares and Maintenance Revenues

These assumptions are especially significant, because the estimation is reflected here about how the units generating means of payment will develop 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 transactions, 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. Moderate growth expectations are planned in the detailed planning phase for the units generating means of payment NEXUS Schweiz and NEXUS / MEDICARE. For the unit generating means of payment NEXUS / GMT on the other hand, an increased asset value has been set, which results from 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. For example, if the efficiency of the organization does not improve due to cost increases, which cannot be compensated for, the utilization value of the units generating means of payment would be reduced.

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	2006	2007
	KEUR	KEUR
SHARE OF PARTICIPATIONS IN THE BALANCE SHEET		
Short-term assets	42	64
Long-term assets	22	21
Short-term debts	-3	-34
Long-term debts	-13	-3
PRORATED NET ASSETS	48	48
SHARES IN REVENUE AND PROFIT OF PARTICIPATIONS		
Revenue	211	245
Profit	3	9
ACCOUNTING VALUE OF PARTICIPATION	48	48

6. Property, Plant and Equipment

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 left

8. Statement of Fixed Assets

Development of Group Assets (IFRS): see the table and page 56/57

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:

	CONSOLIDATED BALANCE SHEET		CONSOLIDATED PROFIT AND LOSS ACCOUNT	
	12/31/2006	12/31/2007	12/31/2006	12/31/2007
	KEUR	KEUR	KEUR	KEUR
DEFERRED TAX RECEIVABLE				
Tax carry forward	7,862	6,515	-1,515	-1,514
Different valuation accruals	–	43	–	43
Different valuations in pensions	81	44	–	–
	7,943	6,602	-1,515	-1,471
Consumption of deferred tax liability	-3,384	-2,703	1,515	1,471
DEFERRED TAXES (ASSETS)	4,559	3,899	0	0
DEFERRED TAX PAYABLE				
Development costs	3,004	2,501	60	503
Lump sum value adjustment	11	27	0	-16
Technology / Know How	1,130	782	0	424
Services in process	–	60	–	-60
Elimination of individual value adjustments in connection with debt consolidation	1,217	1,017	1,168	200
Valuation differences in securities	-57	-155	–	–
	5,305	4,232	1,228	1,051
Consumption of deferred tax demand	-3,384	-2,703	-1,515	-1,471
DEFERRED TAXES (EQUITY AND LIABILITIES)	1,921	1,529	-287	-420

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The change of the deferred taxes is as follows:

	12/31/ 2006	12/31/ 2007
	KEUR	KEUR
Change in deferred taxes affecting profits	-287	-420
Adjustment of deferred taxes on valuation reserve through financial instruments, neutral in its effects of profits	60	98
Performance-neutral adjustment of deferred taxes within the framework of provisions for pensions	-11	-37
Funding of deferred taxes without effect to merger assets	–	167
Funding of deferred taxes without effect on the result on the liabilities side for mergers	-100	-76
CHANGE IN DEFERRED TAXES AFFECTING PROFITS	-338	-268

Within the framework of initial consolidation of Computer Partner Paschmann GmbH, Oberhausen, and Holl GmbH, Munich, capitalized deferred taxes on losses carried forward and debited, deferred taxes were created for customer relations.

As of 31 December 2007, no debited, deferred taxes were entered on profits not paid from subsidiaries or affiliated companies, because the Group determined that the profits, which have not been distributed yet, will not be distributed in the foreseeable future. In addition, the amount of taxes resulting for the Group is insubstantial in the case of distribution to the parent company due to the German tax system.

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8. INVESTMENT BREAKDOWN:	COST OF PURCHASE AND PRODUCTION					
DEVELOPMENT OF GROUP ASSETS (IFRS)	01/01	ADDITIONS DUE TO CHANGE OF SCOPE OF CONSOLIDATION	CHANGE IN CURRENCY	ADDITIONS	DISPOSALS	12/31
DECEMBER 31						
A. FIXED ASSETS	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
I. IMMATERIAL ASSETS						
1. Concessions / Licenses	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. Furniture 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

2007

DECEMBER 31						
A. FIXED ASSETS						
I. IMMATERIAL ASSETS						
1. Concessions / Licenses	3,391	22	-17	157	0	3,553
2. Goodwill	7,925	2,887	-50	0	0	10,762
3. Development costs	20,655	0	0	3,833	0	24,487
4. Customer Base / Technology	3,320	194	-11	913	0	4,416
	35,291	3,102	-78	4,903	0	43,218
II. TANGIBLE ASSETS						
1. Lands and buildings	22	0	0	21	0	44
2. Furniture and office equipment	3,720	192	-29	667	164	4,387
	3,743	192	-29	688	164	4,430
III. FINANCIAL ASSETS						
1. Shares in affiliated companies	814	0	0	0	0	814
2. Other lendings	320	33	0	22	0	375
	1,134	33	0	22	0	1,189
TOTAL	40,168	3,327	-107	5,613	164	48,837

ACCUMULATED DEPRECIATIONS						BOOK VALUES	
01/01	ADDITIONS DUE TO CHANGE OF SCOPE OF CONSOLIDATION	CHANGE IN CURRENCY	ADDITIONS	DISPOSALS	12/31	12/31	
KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	

2,631	576	-18	73	0	3,262	130
177	0	0	0	0	177	7,749
9,290	0	0	3,053	0	12,344	8,311
349	0	0	315	0	664	2,656
12,447	576	-18	3,441	0	16,446	18,846

24	0	0	0	6	17	5
1,960	854	-26	274	31	3,032	689
1,984	854	-26	274	37	3,049	694

766	0	0	0	0	766	48
280	0	0	0	0	280	40
1,046	0	0	0	0	1,046	88
15,477	1,430	-44	3,715	37	20,541	19,628

3,262	17	-17	74	0	3,336	216
177	0	0	0	0	177	10,586
12,344	0	0	3,255	0	15,599	8,888
664	0	-2	413	0	1,076	3,341
16,446	17	-18	3,742	0	20,188	23,031

17	0	0	1	0	19	25
3,032	136	-26	391	131	3,402	984
3,049	136	-26	392	131	3,421	1,009

766	0	0	0	0	766	48
280	0	0	0	0	280	95
1,046	0	0	0	0	1,046	143
20,541	154	-44	4,135	131	24,655	24,183

10. Receivables and Other Assets

The receivables and other assets are as follows:

	12/31/2006		12/31/2007	
	SHORT-TERMED (< 1 YEAR) KEUR	LONG-TERMED (> 1 YEAR) KEUR	SHORT-TERMED (< 1 YEAR) KEUR	LONG-TERMED (> 1 YEAR) KEUR
TRADE ACCOUNTS PAYABLE	7,175	-	10,099	-
RECEIVABLES FROM ASSOCIATED COMPANIES	11	-	53	-
GROSS AMOUNT DUE TO CUSTOMERS FOR PROJECTS AS AN ASSET	-	-	544	-
OTHER ASSETS	602	1,445	1,349	1,208
from interests of not payable stocks	228	-	232	-
from accounts receivable in the range of value added tax	19	-	78	-
from loans to employee and third party	-	1,445	0	1,208
from other	355	-	1,039	-
TAGS REFUND CLAIMS	368	-	432	-

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Refer to the table below for individual value corrections on accounts receivable from deliveries and services and their development. Since the business year 2004, the other assets contain the claim for payment of the economic loss from the share in Medizin Forum AG, Obermörten, made against the tbg Technologie-Beteiligungs-Gesellschaft mbH of the Deutsche Ausgleichsbank in amount of the expected value. The expected value was reduced to 0 in the business year 2006.

Project orders with positive balance with customers in the amount of KEUR 544 (previous year: KEUR 0) will be invoiced and also be due within one year in all probability.

	NEITHER DELINQUENT NOR DEBASED		DELINQUENT BUT NOT DEBASED				
	TOTAL KEUR	KEUR	< 30 DAYS KEUR	30 – 120 DAYS KEUR	120–180 DAYS KEUR	180–360 DAYS KEUR	> 360 DAYS KEUR
12/31/2007	10,099	1,322	5,616	1,153	349	1,206	453
12/31/2006	7,175	416	4,483	711	294	1,017	254

CHANGES OF VALUE ADJUSTMENTS IN TRADE ACCOUNTS PAYABLE	2006	2007
	KEUR	KEUR
Status 01/01	340	959
Allowed expenses allocation	718	488
Consumption	-99	-281
Dissolution	0	-131
	959	1,035

11. Securities

On the balance sheet date, securities include company bonds in the amount of KEUR 7,107 (interest rate: 3.63% – 7.00%) (previous year: KEUR 9,319; interest rate: 3.63% - 8.25%), shares in funds in the amount of KEUR 656 (previous year: KEUR 4,384) and money market bonds in the amount of KEUR 1,918 (previous year: KEUR 988). The final maturity of the individual securities is in the years from 2008 to 2020.

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 and losses from the sale of available financial assets minus any deferred taxes applicable to them.

SECURITIES 31.12.2006	PURCHASE COSTS	MARKET VALUE
	KEUR	KEUR
Company bonds	9,442	9,319
Money market bonds	1,000	988
Shares in funds	4,400	4,384
TOTAL	14,842	14,691

SECURITIES 31.12.2007	PURCHASE COSTS	MARKET VALUE
	KEUR	KEUR
Company bonds	7,456	7,107
Money market bonds	2,014	1,918
Shares in funds	749	656
TOTAL	10,219	9,681

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12. Equity

Equity amounted to KEUR 43,506 on the cutoff date (previous year: KEUR 42,260). Refer to the attached equity capital modification account.

a) Subscribed Capital

Subscribed capital has been divided since 1 January 2007 into 13,805,200 bearer, no-par stocks (previous year: 13,720,000) with a book value share of equity capital of EUR 1.00 each. The increase in 2007 by 85,200 shares was within the framework of stock option plans 2004 (cf. „Subscribed Capital“ and „Item 17. Stock Option Plans“). Entitled employees exercised options in this amount on time by the middle of December 2006, for which the issue and transfer of the stocks only took place in 2007.

b) Own Shares

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 exercised this right in 2007 and purchased 8,420 share certificates with procurement costs of a total of KEUR 26. The own shares were deducted with the total procurement costs in one sum from equity (cost method). The company may not use this empowerment to purchase its own stocks 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:

- For residual amounts
- 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. A total of 85,200 stock options were granted to entitled employees from this in March 2007. 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 17.

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c) 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 noncash capital contribution in connection with the purchase of micom GmbH, Munich in 2004. KEUR 80 were added from the stock option program in 2007.

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 17. 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.

d) Equity Capital Difference from Currency Conversion

The equity capital difference from currency conversion results from 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.

f) Pension Provisions

The reserve for pensions contains the actuarial, cumulated profits and losses from the valuation from valuation of pension reserves after offsetting deferred taxes.

Capital Management

The goal of capital management is to maintain the financial substance of the Group as well as long-term assurance of required financial flexibility. The equity capital rate was also used in measuring the financial security of the Group. In doing this, the equity capital shown in the Group balance sheet was compared to the balance amount. Accordingly, the financing structure is characterized by a capital structure, which is conservative and in which self-financing dominates. The equity capital rate is 80.3% (previous year: 82.0%) on the balance sheet cutoff date. Third-party financing is almost exclusively via liabilities, which result from business operations, as well as via pensions to a slight extent. Interest-bearing financial liabilities exist almost not at all.

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.

	2006	2007
	KEUR	KEUR
Costs for insurance claims acquired during the reporting year	9	5
Interest payments	23	25
Paid benefits	-3	-3
	29	27

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Actuarial losses were entered neutrally in equity capital after consideration of deferred taxes. The total expenditures for performance-oriented employer's pension commitments, which are contained in personnel expenses, are composed of the following: Estimates based on experience amount to KEUR 127 percent (previous year: KEUR 204).

The change of the cash value of performance-oriented obligations is as follows:

	2006	2007
	%	%
Average annual fluctuation rate	5.0	5.0
Interest rate calculated	4.25	5.25
Annual increase of current pensions	1.75	2.25

	2006	2007
	KEUR	KEUR
Cash value of pension obligation at beginning of reporting period	590	595
Interest payments	23	25
Current staff expenses	9	5
Paid benefits	-3	-3
Actuarial losses	-24	-77
CASH VALUE OF OBLIGATION AT END OF REPORTING PERIOD	595	545

14. Other Accruals

The other accruals are composed of the following:

OTHER ACCRUALS	01/01/2007	USE 2007	DISSOLUTION 2007	EINSTELLUNG 2007	12/31/2007
	KEUR	KEUR	KEUR	KEUR	KEUR
Legal costs	23	11	12	0	0
Guarantees	103	26	21	29	85
Benefits still to be paid	241	224	17	345	345
Threatened losses	315	63	232	0	20
Record retention periods	33	0	0	20	53
Misc. other provisions	0	0	0	87	87
	715	324	282	481	590

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It is expected for the accruals for expected warranty obligations that the warranty expenditures will occur in 2008. Accruals for performances to be provided have been increased due to the situation in project business. The other accruals are to be classified as short-term liabilities and are shown under short-term debts for this reason from now on.

15. Liabilities

Liabilities on current account to credit institutes exist on the balance sheet day in the amount of KEUR 185 (previous year: KEUR 43). Liabilities to affiliated companies refer to outstanding capital payment obligations of NEXUS.IT GmbH SÜDOST in favor of G.I.T.S., Gesellschaft für IT Service Gesundheitswesen, Fürstfeldbruck, as well as liabilities of NEXUS / MEDICARE for deliveries and services of VEGA Software GmbH, Aachen. The other liabilities essentially contain obligations for salary payments and liabilities within the framework of social security. Tax liabilities contain sales tax and wage tax payment obligations of subsidiaries in addition to profit tax back payments.

	12/31/2006		12/31/2007	
	SHORT-TERMED (< 1 YEAR) KEUR	LONG-TERMED (> 1 YEAR) KEUR	SHORT-TERMED (< 1 YEAR) KEUR	LANGFRISTIG (> 1 YEAR) KEUR
Bank loans	43	–	185	–
Received payments or orders	187	–	1,182	–
Trade accounts payable	2,343	–	2,500	–
Liabilities with associated companies	3	12	10	12
tax liabilities	701	–	804	–
Other liabilities	2,766	–	3,291	–
loan liabilities	1,114	–	1,756	–
social security liabilities	398	–	527	–
Other	1,254	–	1,008	–

16. Possible Liabilities and Other Obligations

- 1) Legal proceedings as well as 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 resulting, possible liabilities are as follows:

	2007	2008	2009 TO 2011	FROM 2012
	KEUR	KEUR	KEUR	KEUR
Rent	670	416	719	193
Lease	576	485	355	0
	1,246	901	1,074	193

	2006	2007	2008 TO 2010	FROM 2011
	KEUR	KEUR	KEUR	KEUR
Rent	890	698	630	61
Lease	470	508	562	0
	1,360	1,206	1,192	61

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

- 3) Sales tax obligations exist from company sales, which could result in sales prices back payments (until 2010) in the maximum amount of KEUR 1,100. No back payment was due in the reporting year 2007. We do not expect any back payments in the future based on planned sales.

17. Stock Option Plans

NEXUS AG has created a stock-based payment model for Group employees. The following plans and conditions were approved by the stockholders in previous general stockholders' meetings.

Stock Option Program III

NEXUS AG has provided the stock option plans 2004 (AOP 2004), 2005 (AOP 2005) and 2006 (AOP 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 AOP 2004, 80,000 in AOP 2005 and 126,615 in AOP 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 AOP 2004, AOP 2005 and AOP 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 AOP 2004, on 31 December 2009 for AOP 2005 and on 31 December 2010 for AOP 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 expiration 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 AOP.

The following personnel expenditures were considered as of 31 December 2007:

PERSONNEL COSTS	2006	2007
	KEUR	KEUR
SOP 2004	43	27
SOP 2005	29	28
SOP 2006	42	110
TRANSFER TO CAPITAL RESERVES	114	165

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 30 May 2011. A total of 277,385 subscription rights were issued within the framework of AOP 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 AOP 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 year. The subscription rights from 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 expiration 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.

The option rights developed during the business year as follows:

	2006		2007	
	OPTIONS	AVERAGE WEIGHTED EXERCISE PRICE EUR	OPTIONS	AVERAGE WEIGHTED EXERCISE PRICE EUR
Number of option rights on 1 January	388,000	2.31	792,000	2.71
Newly granted during the reporting period	404,000	3.09	0	–
In reporting period lapsed options	0	–	-14,000	3.30
In reporting period exercised options	0	–	-85,200	1.95
NUMBER OF OPTION RIGHTS ON 31 DEC.	792,000	2.71	692,800	2.79

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

The exercise prices for the option rights not exercised at the reporting time are EUR 1.95 (AOP 2004), EUR 3.69 (AOP 2005) and EUR 3.09 (AOP 2006 I and II). The weighted, average contractual period for these stock option rights is 2.49 years (previous year: 2.10 years).

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 AOP 2004, AOP 2005 and AOP 2006 I + II: See to the right. 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.

	SOP 2005	SOP 2006	SOP 2007 I and II
Duration	2, 3, 4 Years	2, 3, 4 Years	2, 3, 4 Years
Interest loan risk-free	2.4% – 2.8%	2.8% – 3.0%	3.5% – 3.6%
Volatility	32.0%	33.8%	36.0%
Dividend	abstract	abstract	abstract
Fluctuation	2%	2%	2%
Exercise barrier	14% – 18%	8% – 11%	10%
Exercise price	1.95 EUR	3.69 EUR	3.09 EUR
Estimated stock price	2.06 EUR	3.95 EUR	3.15 EUR

18. Revenue

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

	HEALTHCARE SOFTWARE				HEALTHCARE SERVICE			
	2006		2007		2006		2007	
	KEUR	%	KEUR	%	KEUR	%	KEUR	%
Germany	13,028	59.5	13,594	52.9	4,179	98.6	3,925	98.1
Austria	798	3.6	901	3.5	56	1.3	61	1.5
Switzerland	6,422	29.4	8,573	33.3	4	0.1	0	0.0
Italy	317	1.5	182	0.7	0	0.0	0	0.0
USA, other regions	1,317	6.0	2,460	9.6	0	0.0	16	0.4
GESAMT	21,882	100.0	25,710	100.0	4,239	100.0	4,002	100.0

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They are attributed to:

	2006		2007	
	KEUR	%	KEUR	%
Deliveries	3,735	14.3	3,392	11.4
Services	13,867	53.1	18,078	60.9
Licenses	8,519	32.6	8,242	27.7
TOTAL	26,121	100.0	29,712	100.0

19. Other Operating Income

The other operating income refer among other things to revenues from further sale of securities in the amount of KEUR 62 (previous year: KEUR 213) as well as redemption of reserves in the amount of KEUR 282 (previous year: KEUR 3), revenues from charging off short-term liabilities in the amount of KEUR 174 (previous year: KEUR 74), benefits in money's worth in the amount of KEUR 286 (previous year: KEUR 209), redemption of value corrections from receivables in the amount of KEUR 131 (previous year: KEUR 0), and revenues from insurance refunds in the amount of KEUR 32 (previous year: KEUR 3). Foreign currency profits in the amount of KEUR 33 (previous year: KEUR 0) were recorded successfully in the reporting year.

20. Material Expenses and Cost for Purchased Services

Material expenses and costs for purchase services were as follows in the reporting period: See to the right. Costs for raw materials, consumables and supplies as well as for purchased goods are mainly expenses from hardware purchases, which were intended for further sales. The area of purchased services mainly concerns services in the wake of project business, which was subcontracted to third parties.

	2006	2007
	KEUR	KEUR
Raw materials and supplies	4,995	5,346
Purchased services	996	1,176
	5,991	6,522

21. 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: See to the right

	2006	2007
Employees	243	297
Trainees	6	5
	249	302

Personnel costs developed during the business year as follows:

Additional personnel costs in the amount of KEUR 870 resulted from Nexus / Paschmann GmbH and NEXUS / HOLL GmbH in the business year 2007. The consolidation of NEXUS Schweiz GmbH for a complete business year for the first time also increased personnel expenses considerably. Social insurance contributions and contributions for old-age pensions and support include expenses for contribution-oriented plans of KEUR 27 (previous year: KEUR 29).

	2006	2007
	KEUR	KEUR
Wages and salaries	11,817	14,453
Social costs	2,238	2,447
	14,055	16,900

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22. Other Operating Expenses

The other operational expenditures are as follows:

The other operating expenses refer mainly to appropriations reported as expenditures for value adjustments in the amount of KEUR 207 (previous year: KEUR 619), provisions for reserves in the amount of KEUR 322 (previous year: KEUR 229) as well as write-offs and losses of debts in the amount of KEUR 43 (previous year: KEUR 432).

	2006	2007
	KEUR	KEUR
Operating costs	1,453	1,576
Distribution costs	1,340	1,776
Administrative costs	1,618	2,211
Other operating expenses	1,793	872
	6,204	6,435

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

	2006	2007
	KEUR	KEUR
Audit (individual accounts and Group audit)	91	109
Tax consultant services	13	1
	104	110

23. Revenue from Affiliated Companies

The year-end results of affiliated companies, which are due to the Nexus Group, are shown.

24. Interest Receivable and Similar Income

From the interest receivable and similar income, KEUR 586 (previous year: KEUR 564) are revenue from securities, KEUR 15 (previous year: KEUR 80) interest revenue from bank deposits and KEUR 88 (previous year: KEUR 69) other interest receivable and similar income.

25. Interest Payable and Other Similar Charges

From the interest payable and similar expenses, KEUR 11 (previous year: KEUR 13) represent interest expenses from bank liabilities and KEUR 4 (previous year: KEUR 5) other interest payable and similar expenses.

26. 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 cutoff date with the amounts, which probably must be paid 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 2007, all losses carried forward were checked 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:

	2006	2007
	KEUR	KEUR
Actual tax expenditure	-40	-60
Deferred tax income	-287	-420
	-327	-480

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 in the previous business years depending on the company in question. In determining the tax rates in 2007, a tax rate of 15.0% 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 28.4 % is used for calculating the deferred taxes for corporate income tax and trade tax. This rate was 37.5% in the previous year due to other factors by which the uniform tentative tax is multiplied and other trade tax breakdown shares. The shown tax expenses deviated from the expected tax expenses, which would have resulted from application of the nominal tax rate on the result according to IFRS of 28.4% (previous year: 37.5%). Due to the use of losses carried forward in 2007, the future tax rate of 28.4% was assumed, because the mainly deferred tax effects were already offset with this and consequently a tax amount determined by this tax rate should be expected.

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

	2006	2007
	KEUR	KEUR
Profit before tax	1,127	1,677
Profit tax expenses (previous year profit tax yield)		
At tax rate of 37.5%	-425	-476
Effect shifting tax rate from 37.5% to 28.4%	0	-553
Taxable losses carried forward, which did not result in capitalization of deferred taxes	111	575
Tax rate differences in subsidiary company	4	8
Tax increase / decrease due non-deductible expenses and tax- free revenue	-17	-9
Taxes for prior years and other variations	0	-25
TAX EXPENSE ACCORDING TO PROFIT AND LOSSES ACCOUNT	-327	-480

As of 31 December 2007, the value of the considered tax losses was KEUR 22,961 (previous year: KEUR 20,937) and the value of tax losses not considered was KEUR 35,863 (previous year: KEUR 38,980), for which no deferred claim under the tax relationship is credited in the balance sheet.

27. 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.

Existing option rights in the amount of 85,200 were exercised in 2007 (previous year: 0). Options were granted from 2004 to 2006, from which a watering effect results in an amount below EUR 0.01. An average number of stocks of 14,503,917 was used as the based for calculating the watered result per share.

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EARNINGS PER SHARE	2006	2007
Consolidated loss (group share) in KEUR	704	1,163
Average of shares issued (in thousands)	13,720	13,791
Earnings per share in EUR (diluted and undiluted)	0.05	0.08

28. 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.

29. Cash Flow from Current Business Transactions

In 2007, the cash flow from current transactions increased compared to the previous year from KEUR 2,415 to KEUR 2,964. The positive development of revenue, high amount of write-offs and the build-up of receivables due to billing situations influence the cash flow decisively.

30. Cash Flow from Investment Activities

The cash flow from investment activities is negative at KEUR -3,611 (previous year: -1,828). 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 2007. KEUR 2,667 were also invested in acquisition of the new subsidiaries, Computer Partner Paschmann GmbH and Holl GmbH, after deduction of the received means of payment.

31. Cash Flow from Financing Activities

The improved, positive cash flow from financing transactions of KEUR 140 (previous year: KEUR -1,048) resulted mainly from the end of amortization obligations.

32. 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.

33. 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), gynecology including obstetrics (NEXUS / GMT) and pathology and cytology (NEXUS / PASCHMANN). The leading system for QM assessment of all customary processes (NEXUS / HOLL) has also been assigned to this business division. 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 covers the services, which are 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 page 72

DIVISIONAL REPORTING		HEALTHCARE SOFTWARE	HEALTHCARE SERVICE	CONSOLI- DATION	GROUP
		KEUR	KEUR	KEUR	KEUR
REVENUES					
External sales	2007	25,710	4,002		29,712
	2006	21,882	4,239		26,121
Intersegment sales	2007	64	2,099	-2,163	0
	2006	126	1,382	-1,508	0
Segment sales	2007	25,774	6,101	-2,163	29,712
	2006	22,008	5,621	-1,508	26,121
Divisional operating result	2007	436	558		994
	2006	-39	468		429
Plus financial result	2007				683
	2006				698
Plus income tax	2007				-480
	2006				-327
	2007				1,197
	2006				800
ANNUAL NET PROFIT					
Are attributable to:					
- Stockholders of parent company	2007				1,163
	2006				704
- Minority interest	2007				34
	2006				96
Segment assets	2007	36,790	823		37,613
	2006	28,582	503		29,085
Financial investments	2007				88
	2006				88
Financial assets	2007				12,122
	2006				17,446
Plus tax refund claims	2007				3,899
	2006				4,559
Plus tax liabilities	2007				432
	2006				368
	2007				54,154
	2006				51,546
Segment debt	2007	7,015	1,115		8,130
	2006	5,168	1,453		6,621
Plus finance liabilities	2007				185
	2006				43
Plus tax accruals	2007				804
	2006				701
Plus deferred taxes	2007				1,529
	2006				1,921
	2007				10,648
	2006				9,286
TOTAL ASSETS					
Investments	2007	5,440	173		5,613
	2006				
- Investments in immaterial assets	2007	4,808	95		4,903
- Investments in financial assets	2007	22	0		22
- Investments in tangible assets	2007	610	78		688
	2006	3,722	52		3,774
- Investments in immaterial assets	2006	3,345	0		3,345
- Investments in tangible assets	2006	377	52		429
Amortisation	2007	4,071	64		4,135
- Amortisation in immaterial assets	2007	3,724	18		3,742
- Amortisation in tangible assets	2007	347	46		393
	2006	3,696	19		3,715
- Amortisation in immaterial assets	2006	3,437	4		3,441
- Amortisation in tangible assets	2006	259	15		274
Other non-cash expenses	2007	181			181
	2006	98			98
Net result from associated companies	2007				9
	2006				3
Shares in affiliated companies	2007				48
	2006				48

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:

	2006	2007
	KEUR	KEUR
SALES		
Germany	17,207	17,519
Austria	854	962
Switzerland	6,426	8,573
Italy	317	182
Rest of Europe, USA	1,317	2,476
	26,121	29,712
SEGMENT AND FINANCIAL ASSETS		
Germany	41,261	42,547
Austria	204	598
Switzerland	4,820	6,305
Italy	246	285
	46,531	49,735
INTANGIBLE ASSETS INVESTMENT		
Germany	3,343	4,520
Austria	1	0
Switzerland	1	383
Italy	0	0
	3,345	4,903
INVESTITIONEN IN SACHANLAGEN		
Germany	376	561
Austria	1	7
Switzerland	52	120
Italy	0	0
	429	688
INVESTMENTS IN FINANCIAL ASSETS		
Germany	0	22
Austria	0	0
Switzerland	0	0
Italy	0	0
	0	22

34. 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 USA in CHF and USD 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.

Additional Information about the Financial Instruments

The following table shows the book value according to valuation categories in line with IAS 39 and the adjusted current value according to classes of financial assets and financial liabilities.

2006 IN KEUR	CATEGORY ACCORDING TO IFRS 7.6	VALUE TO BE ATTRIBUTED	BOOK VALUE	VALUATION RATE ON THE BALANCE SHEET CATEGORY IAS 39			
				VALUATION	12/31/2006	12/31/2006	FVTPL (HfT)
ASSETS							
Securities	valued at fair value	14,691	14,691	–	14,691	–	–
Cash and cash equivalents	–	–	2,755	–	–	–	–
Trade receivables	continued procurement costs	7,175	7,175	–	–	7,175	–
Receivables from associated companies	continued procurement costs	11	11	–	–	11	–
Other original financial assets	continued procurement costs	2,455	2,455	–	–	2,455	–
		24,332	27,087	–	14,691	9,641	–
LIABILITIES							
Financial liability	continued procurement costs	43	43	–	–	–	43
Trade accounts payable	continued procurement costs	2,343	2,343	–	–	–	2,343
Liabilities with associated companies	continued procurement costs	15	15	–	–	–	15
Other original liabilities	continued procurement costs	3,654	3,654	–	–	–	3,654
		6,055	6,055	–	–	–	6,055

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Explanation of Abbreviations

FVTPL (HfT) Financial assets evaluated as revenue at the adjusted value at the time / liabilities (kept for trading purposes)

AfS Financial assets available for sale

LaR Loans and Receivables

FLAC Financial liabilities, which are valued at the net book value

A separate class should be created for the position cash balance and credit balance at banks. General assignment to the carried forward procurement costs or to the finance instruments valued at fair value is not correct, because it is shown at nominal value, whereby foreign currencies are converted at the current exchange rate. Consequently, evaluation of the cash balance and credit balance at banks is connected with a categorization according to IAS 39, which is why there are no valuations in the balance sheet according to valuation category.

2007 IN KEUR	CATEGORY ACCORDING TO IFRS 7.6	VALUE TO BE ATTRIBUTED	BOOK VALUE	VALUATION RATE ON THE BALANCE SHEET CATEGORY IAS 39			
				VALUATION	12/31/2006	12/31/2006	FVTPL (HfT)
ASSETS							
Securities	continued procurement costs	9,681	9,681	–	9,681	–	–
Cash and cash equivalents	–	–	2,390	–	–	–	–
Trade receivables	continued procurement costs	10,099	10,099	–	–	10,099	–
Receivables from associated companies	continued procurement costs	53	53	–	–	53	–
Other original financial assets	continued procurement costs	3,628	3,628	–	–	3,628	–
		23,461	25,851	–	9,681	13,780	–
LIABILITIES							
Financial liability	continued procurement costs	185	185	–	–	–	185
Trade accounts payable	continued procurement costs	2,500	2,500	–	–	–	2,500
Liabilities with associated companies	continued procurement costs	22	22	–	–	–	22
Other original liabilities	continued procurement costs	5,277	5,277	–	–	–	5,277
		7,984	7,984	–	–	–	7,984

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Net Profits / Losses from Financial Instruments

The net profits and losses from financial instruments (according to valuation category), which affect the profit and loss account, in business year 2007 can be summarized as follows:

NET PROFIT / LOSS ACCORDING TO VALUATION CATEGORY	2006	2007
	KEUR	KEUR
FVTPL (HfT)	–	–
AfS	118	49
LaR	-530	27
FLAC	56	159
	-356	235

The net profits / losses of the category AfS contains reduction losses of KEUR -13 (previous year: KEUR -95), which are entered in position 8. d.) Other Expenses. Profits are shown under 4.) Other Operating Income. In addition to the booked net profits / losses in the profit and loss account, category AfS also contains net losses entered directly in equity of KEUR -384 (previous year KEUR -158).

The net profits / losses of the category loans and receivables contain reduction losses of KEUR -488 (previous year: KEUR -1,184). These are shown in position 8. d.) Other Expenses. Profits from value adjustments are shown under 4.) Other Operating Income.

Interest Income / Expenditures from Financial Instruments

Interest income / expenses from financial instruments, which were not valued with adjusted current value as revenue, were as follows in the business year 2007:

INTEREST EARNED / INTEREST COSTS FROM FINANCIALS INSTRUMENTS	2006	2007
	KEUR	KEUR
Interest earned	716	698
Interest costs	18	15
	698	683

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35. Contingent Liabilities

There were no contingent liabilities on 31 December 2007.

36. 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, Fürstfeldbruck, and VEGA Software GmbH, Aachen for the Group during the reporting period. Overall, sales in the amount of KEUR 81 (previous year: KEUR 59) and purchases in the amount of KEUR 18 (previous year: KEUR 36) were made. There were outstanding receivables from deliveries and services in the amount of KEUR 53 on the cutoff date (previous year: KEUR 11). In addition, there are accounts payable from deliveries and services in the amount of KEUR 10 (previous year: KEUR 3) 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 of Medidata GmbH, Berlin, in the business year.

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 adjust any values for receivables with respect to affiliated companies as of 31 December 2007. 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

In addition to their work in the Supervisory Board, the members of the Supervisory Board provides services themselves or via companies affiliated with them for the Group and invoice them in line with customary market conditions. In 2007, the expenses for such service fees amounted to KEUR 61 (previous year: EUR 0). There were no outstanding liabilities from deliveries and services in this respect on the balance sheet cutoff date.

There are no other relations to affiliated persons requiring reporting other than the information already reported at this place and other places.

37. 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

The Executive Board:

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

The total salaries are as follows: See to the right

	2006	2007
	KEUR	KEUR
SALARY COMPONENTS		
Non-performance-related component	312	281
a) Short termed benefit	296	265
b) Benefit after employment	16	16
Performance-related component	0	150
TOTAL	312	431
Component with long-term incentive effect: options at adjusted option value	166	0

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

38. Directors' Holdings

In the business year 2007, the number of stocks held by the Executive Board and the Supervisory Board changed as shown in the following list: See to the right

39. 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.

40. 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 12 December 2007 and made it accessible to stockholders..

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

Villingen-Schwenningen, 19 March 2008
NEXUS AG

Dr. Ingo Behrendt
Stefan Burkart

	NUMBER OF SHARES	NUMBER OF OPTIONS
SUPERVISORY BOARD		
	81,099	0
Dr. jur. Hans-Joachim König	in 2006 (81,099)	in 2006 (0)
	0	0
Prof. Dr. Alexander Pocsay	in 2006 (0)	in 2006 (0)
	0	0
Ronny Dransfeld	in 2006 (0)	in 2006 (0)
	0	0
Prof. Dr. Ulrich Krystek	in 2006 (0)	in 2006 (0)
	0	0
Dipl.-Betriebswirt (FH) Wolfgang Dörflinger	in 2006 (0)	in 2006 (0)
	0	0
Dr. Dietmar Kubis	in 2006 (0)	in 2006 (0)
EXECUTIVE BOARD		
	112,000	325,000
Dr. Ingo Behrendt (MBA)	in 2006 (82,000)	in 2006 (355,000)
	116,147	15,000
Dipl.-Betriebswirt (FH) Stefan Burkart	in 2006 (116,147)	in 2006 (15,000)

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Villingen-Schwenningen, March 19, 2008

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NEXUS AG
Executive Board

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 2007. 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 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 paragraph 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 generally accurate picture of the situation of the group and presents the chances and risks of future development correctly."

Freiburg i. Br., 20 March 2008

BDO Deutsche Warentreuhand
Aktiengesellschaft
Auditing Company

Philipp
Auditor

ppa. Köpfer
Auditor

Corporate Governance

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 accordance with Section 161 German Stock Corporation Law in connection with Section 15 EG German Stock Corporation Law by the Executive Board and the Supervisory Board of 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:

The remuneration to the Executive Board members is not listed individually for 2007 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 63 in the year 2007. 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 2008
NEXUS AG

Supervisory Board
Dr. Hans-Joachim König

Executive Board
Dr. Ingo Behrendt

nexus/ag
e-health solutions

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