



NEXUS AG
Half Year Report
June 30, 2004

NEXUS
providing eHealth solutions

Letter to our stockholders

_ Dear stockholders,

_ The expansion of our market position and a further improvement in the earnings before tax: these are the paramount objectives of NEXUS AG in 2004. In the first half of the current year NEXUS has developed on the lines of these targets. We have **improved our results** and made **strategic headway**.

_ A prominent move is certainly the takeover of micom GmbH with effect from 30.05.2004, which has significantly enhanced our strategic position. As the market becomes ever more concentrated, the integration of micom GmbH has clearly strengthened our market and technology position. NEXUS is one of the companies which, on the one hand, are capable of **generating new business** and, on the other, have the power to integrate other market participants with **synergy potential**.

_ The results of the first 6 months simultaneously confirm the stable development of NEXUS AG. Despite a very restrained investment climate in German hospitals, the turnover in the first half of the year increased from **EUR 6.0 million** to **EUR 6.3 million**. This includes the first-time consolidation of micom GmbH in the month of June. Due to the short consolidation period, however, consolidation effects have entered the turnover and result to a very limited degree.

_ The EBITDA for the first half year is **KEUR 738** (1st half of 2003: KEUR 276) and has thereby very clearly surpassed the previous year's figure by **KEUR 462**. The first-half result before tax also improved year-on-year by **KEUR 238** to **KEUR -521** (1st half of 2003 KEUR -759). The result after tax developed on the same lines and is **KEUR -724** following **KEUR -869** in the first half of 2003.

_ While we are largely satisfied with regard to the improvement in the result, the development in 2004 sales is only conditionally on track. In Germany, the radiology and radiotherapy sectors in particular have as yet fallen short of expectations. This is in contrast with foreign operations which reflect a performance above expectations in terms of turnover.



Dr. Ingo Behrendt
CEO Nexus AG

_ A very positive note is that in 2004 we gained **further major orders**, which firmly demonstrate our market strength. These include orders from three centres for psychiatry in Baden-Wuerttemberg, the Vienna General Hospital which ordered radiotherapy equipment from us, or the psychiatric clinics of the regional hospital of Rhineland-Palatinate, which entrusted us with the task of equipping 6 clinics in all. Further orders were placed in Berlin, Braunschweig, Aarau (Switzerland) and in Bologna (Italy).

_ We are therefore facing a very favourable starting situation. We are gaining **attractive orders** and are increasingly establishing our products as **technology leaders** in the market. The takeover of micom GmbH has further strengthened our product portfolio and significantly increased our **number of regular customers**. And, not least, our outstanding technological position means we are able to secure substantial projects **outside Germany** as well: a situation which will continue to assist us in compensating for the present market weakness in Germany.

_ This first-half result confirms to us that we have taken the right course and have adopted the right strategy. In the second half of the year we will work intensively on further operationalizing our strategy.

A handwritten signature in black ink that reads "Ingo Behrendt". The signature is written in a cursive, flowing style.

Dr. Ingo Behrendt
CEO NEXUS AG

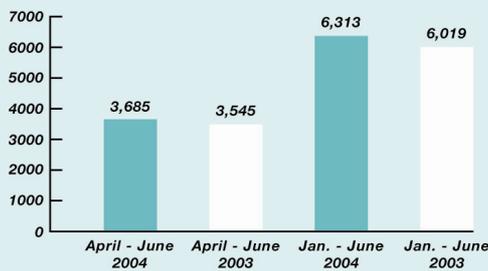
Increase in revenue and earnings

The NEXUS Group recorded sales of **EUR 6.3 million** in the first half of 2004, following **EUR 6.0 million** in the same period of the previous year. Related to the first quarter, sales rose 40% from **EUR 2.6 million to EUR 3.7 million**. The increase in sales is to be accounted for by the partial invoicing of larger orders, by upturning business in the second half of the year and by the consolidation of micom GmbH in the month of June.

The sales by region reflect a further invigoration in international business. In particular, Switzerland and business in Kuwait and Italy show very positive progress.

SALES IN KEUR

+ 5%
in the first 6 months 2004



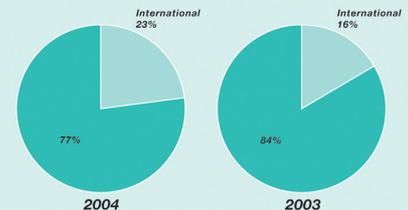
Sales by regions

	1.01.- 6.30.2004 KEUR	1.01.- 6.30.2003 KEUR	△ in %	4.01.- 6.30.2004 KEUR	4.01.- 6.30.2003 KEUR	△ in %
Germany	4,856	5,076	-4.3	2,829	3,010	-6
Switzerland	529	522	1.3	285	393	-28
Austria	238	341	-30.2	23	63	-64
Italy	73	16		44	15	
other						
regions/USA	617	64		504	64	
Total :	6,313	6,019	4.9	3,685	3,545	3.9

As a consequence, the export market share in sales increased from approximately 16% in the first half of 2003 to 23% in the first half of this year.

The sales in the Healthcare Software segment have risen by about 12% from **KEUR 3,460 to KEUR 3,868**. On the other hand, the sales in the Healthcare Service segment have dropped 4.5% to **KEUR 2,445**.

INTERNATIONAL SALES IN % first 6 months 2004 and 2003



Sales by divisions

	1.01.- 6.30.2004 KEUR	1.01.- 6.30.2003 KEUR	△ in %	4.01.- 6.30.2004 KEUR	4.01.- 6.30.2003 KEUR	△ in %
Healthcare Software	3,868	3,460	11.8	2,491	2,321	7.3
Healthcare Service	2,445	2,559	-4.5	1,194	1,224	-2.5
Total :	6,313	6,019	4.9	3,685	3,545	4

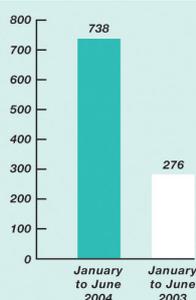
In the business field Healthcare Software sales of 2.5 million € could be achieved in the second quarter compared to 1.4 million € in the previous quarter 2004.

Results of the first six months 2004

In the EBITDA an increase of KEUR 462 (1st half of 2003: KEUR 276) to the present figure of KEUR 738 could be attained.

EBITDA IN KEUR

+ KEUR 462
in the first 6 months 2004



The further performance figures also reflect a positive trend, due to improved margins and partly to effects from the consolidation of micom GmbH. The result before tax is **KEUR -521** following **KEUR -759** in the first half of 2003. The result after tax has been improved, despite including a distinctly higher figure for deferred tax liabilities, by **KEUR 145** to **KEUR -724** (1st half of 2003: KEUR -869).

In the Healthcare Software segment an improvement by **KEUR 493** to **KEUR -26** (1st half of 2003 KEUR -519) was achieved, while the Healthcare Service segment weakened by **KEUR 71** to **TEUR -489** (1st half of 2003 KEUR:-418). In this sector a reversal of the trend is however to be expected in the course of the year.

The second quarter 2004 showed an increase in the result before tax of KEUR 128 to KEUR -148 (Q2 2003: KEUR - 276). Related to the second quarter 2003 (KEUR 268), the EBITDA of KEUR 545 was 277 KEUR higher. These results show that NEXUS improved significantly in the **operative business**.

The **Cash Flow** from operating activities improved by KEUR 2,468 from KEUR 270 to **KEUR 2,738** compared to the first half year 2003. It is remarkable that cash and cash equivalents rose again compared to the first quarter 2003 and compared to December 31st, 2003. The amount of liquid funds is **KEUR 16,857** (12/31/2003: KEUR 15,904).

HIGHLIGHTS

SALES AND RESULTS

- + Increase in sales from 6.0 to 6.3 million Euro compared to the first half year 2003
- + Increase in sales in the Healthcare Software Division
- + Increase in sales compared to the first quarter 2004: + 40%
- + Increase of share of international sales to 23%
- + Improvement of earnings before tax of 238 KEUR
- declining sales in the Healthcare Service Division
- declining orders from German hospitals

NEW CUSTOMERS

- + **NEXUS wins 6 clinics in Rhineland-Palatinate/German**
First joint order with micom GmbH in six psychiatric clinics of the State Hospital
- + **NEXUS wins 3 clinics in Baden-Wuerttemberg/Germany**
Order to equip three centers with the information system NEXUS.MedFolio® Psychiatry in the German state of Baden-Wuerttemberg for psychiatry in Emmendingen, Calw and Reichenau.
- + **NEXUS wins a clinic in Berlin/Germany**
micom acquires new customer in Berlin: the Hubertus Clinic, a psychiatric institution with approximately 300 beds
- + **NEXUS wins a RIS in Bremerhaven/Germany**
Inovit receives a contract for installing a radiology information system in St. Josef Hospital in Bremerhaven
- + **NEXUS wins radiooncology in Vienna/Austria**
Nucletron receives a contract for installing the software solution Oncentra IM in the largest hospital in Europe, AHK Vienna

NEXUS in the environment of the financial and healthcare market

NEXUS STOCKS AT A SUBSTANTIALLY HIGHER LEVEL THAN IN THE PREVIOUS YEAR



NEXUS stocks demonstrated an overall substantial recovery in the first quarter of 2004 from their low at the end of 2003. While there was a clear upward movement with highest quotes at € 2.87 in the first quarter of 2004, a correction followed in the second quarter. However, the stock price has been able to remain stable above the supported level of € 2.00.

NEXUS STAYS IN CONTACT

We will be happy to provide you with the information you want, regardless of whether you would like to receive written or electronic communication from NEXUS. Send us an e-mail at mail@nexus-ag.de and you will soon be sent our financial reports or product information notices. These documents are also available for downloading from the website www.nexus-ag.de.

FINANCIAL CALENDAR AND EVENTS

FINANCIAL EVENTS

Half-year report 2004	August 27, 2004
Interim report Q3/2004	November 26, 2004

EXHIBITIONS

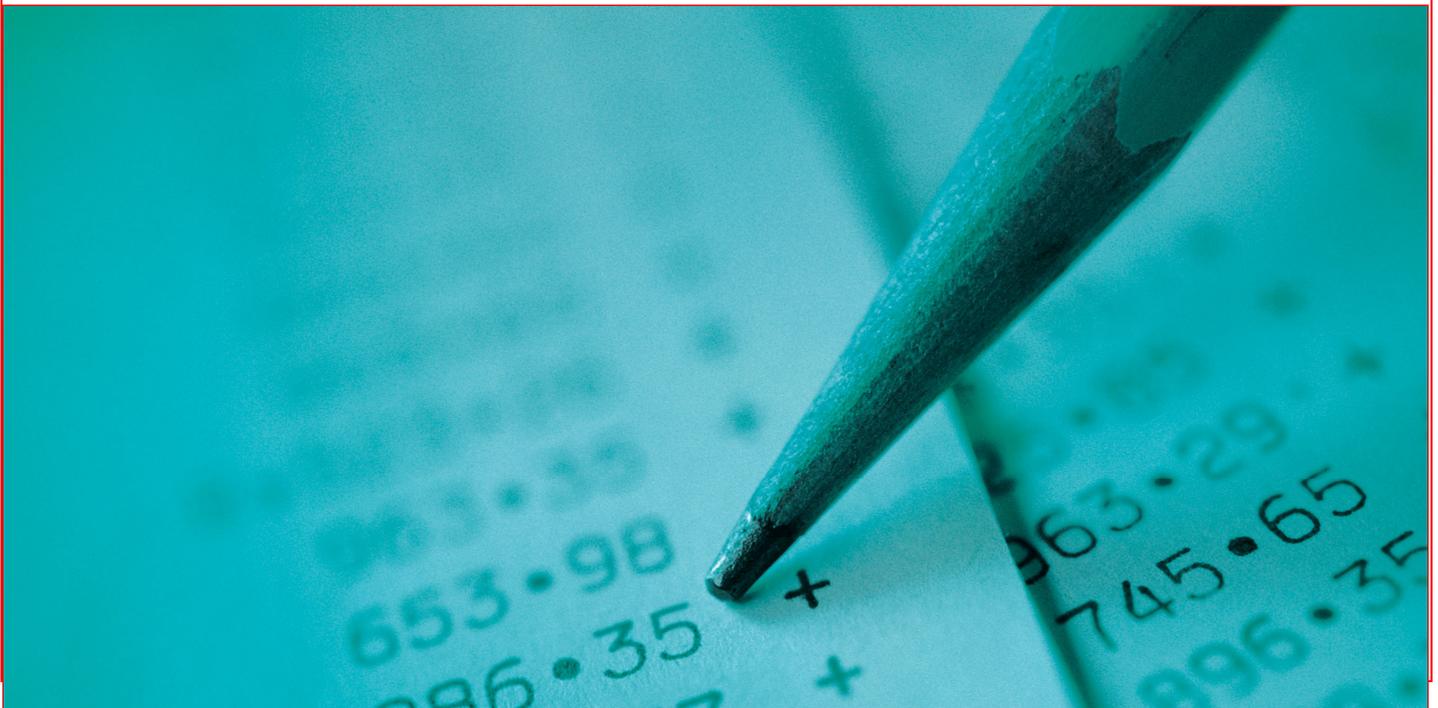
GMDS-Conference, Innsbruck (A)	September 26 to 30, 2004
IFAS, Zürich (CH)	October 26 to 29, 2004
The world's largest medical exhibition MEDICA Düsseldorf	November 24 to 27, 2004

The combined know-how of the companies and partners of the NEXUS Groups will be shown at our trade fair booth in Hall 16.

NEXUS and micom: the complete service portfolio, from patient and treatment management all the way to billing.

INOVIT: new radiology solutions for findings and communication

All for One Systemhaus AG: electronic information systems for rehabilitation clinics and social institutions



MODULAR SOLUTIONS INCREASE THE FLEXIBILITY OF OUR CUSTOMERS

DEVELOPMENT OF CUSTOMER-SPECIFIC AND MODULAR SOLUTIONS IN THE FOREFRONT

_NEXUS and micom have modular software solutions, which provide hospitals with support in processes of patient and treatment management. The modules can be combined with each other in such a way that they can be used both as overall hospital information systems and as ward solutions. Already existing systems, which provide data such as laboratory findings to a medical information system, can be integrated. The NEXUS and micom offer can be introduced as an integrated solution or step-by-step thanks to its modular character and can be adapted to the size and specialization of a hospital.

_NEXUS and micom are continuing to develop their product lines NEXUS.MedFolio® und micom medicare.Plus and will develop joint modules in the future, for example, the web-file.

_With the integration of micom into the NEXUS Group, both companies have obtained a stronger position with respect to products and technology. While micom mainly has installations in German hospitals and psychiatric institutions, Nexus has German and international customers in a total of 12 countries. Consequently, the presence on the German market and potential for internationalization of the Nexus Group have improved substantially. Customers profit from NEXUS as a stable partner with currently 255 installations worldwide.

ACQUIRING NEW CUSTOMERS IS THE FOCUS OF ACTIVITIES IN THE FIRST HALF YEAR 2004

_Acquiring new customers and maintaining existing customers were the priorities in the first six months of the current business year.

NEXUS equips three psychiatric institutions with electronic patient files in Baden-Württemberg

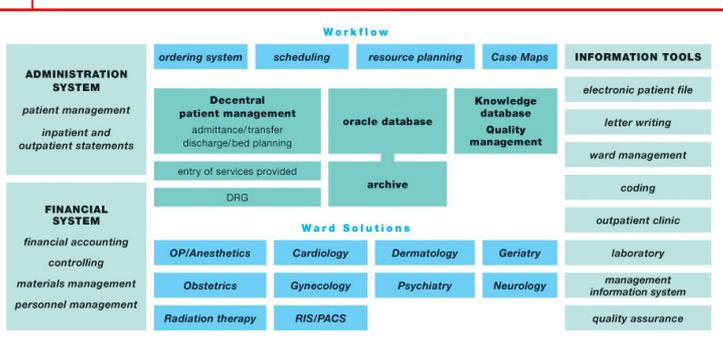
_NEXUS received an order to equip three centers with the software solution NEXUS.MedFolio® Psychiatry in the German state of Baden-Württemberg for psychiatry in Emmendingen, Calw and Reichenau. Professor Seelos, Managing Director in the three hospitals, commented: "We decided in favor of NEXUS, because NEXUS has experience in linking medical documentation with our administrative system SAP R/3." There are a total of nine psychiatric centers in Baden-Wuerttemberg, which are under the authority of the Social Ministry. Together with micom, the NEXUS Group is now installed in six of these centers.

NEXUS and micom acquire their first joint order in Andernach

_With micom Medicare.Plus for treatment and patient management and the document management system from NEXUS, NEXUS and micom have acquired their first joint customer with the psychiatric clinic of the State Hospital in Andernach. The decisive factor for the decision in favor of the NEXUS Group was the experience with information systems in psychiatric clinics and the modular system environment, which makes it possible to combine NEXUS, micom and All-for-One modules.

Largest hospital in Europe selects the software solution Oncentra IM

_With more then 2,000 beds, the Vienna General Hospital (AHK) is currently the largest hospital in Europe. The radiology ward treats patients using therapeutic measures for fighting cancer. The decision to upgrade the software solution has been made this year in favor of Oncentra IM, the joint product of NEXUS and its Dutch partner NUCLETRON.



NEXUS company information

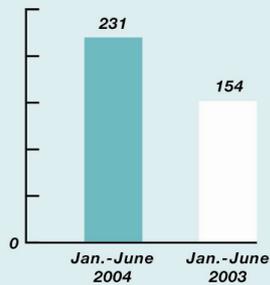
OUR EMPLOYEES ARE OUR CAPITAL

Due to the integration of micom GmbH the average number of employees in the first half year rose from 154 to 231. As a consequence NEXUS won even more specialists in the product development, in the sales department as well as in the product and project management.

AVERAGE NUMBER OF EMPLOYEES IN THE NEXUS-GROUP

as of June 30, 2004 and 2003

+77 EMPLOYEES



Compared to December 31, 2003 the Directors Holdings of the Supervisory and Executive Boards are as follows:

Supervisory Board	Number of shares	Number of options
Dr.jur. Hans-Joachim König	81,099 12/31/2003:81,099	0 12/31/2003:0
Dr.Herwig Freiherr von Nettelhorst	0 12/31/2003:0	0 12/31/2003:0
Ronny Dransfeld	0 12/31/2003:0	0 12/31/2003:0
Executive Board		
Dr. Ingo Behrendt (MBA)	40,000 12/31/2003:40,000	60,000 12/31/2003: 60,000
Stefan Burkart	76,147 12/31/2003:76,147	0 12/31/2003: 0

OUTLOOK

Objectives for the business year 2004 include improving our market position in Germany by developing modular software solutions and differentiate the NEXUS group from competition. New orders in the first half-year have shown that this strategy can be successful on the market. The second half-year is presenting a new challenge with the integration of micom GmbH. With respect to technology, we are on the right path to take advantage of synergies and provide customers with an expanded range of services. They can select either ward solutions or overall ones and implement them as integrated solutions or step-by-step in line with the size and specializations of their institutions.

With our partner All for One, we cover the market in the rehabilitation sector and consequently are able to depict integrated care in our software solutions. The development to overlapping treatment of patients in hospitals and rehabilitation clinics has accelerated since the introduction of the DRG case flat rates in January 2004.

On an international basis, we have proved with our installations that NEXUS is able to react quickly to the demands of customers in other countries and depict hospital processes in our software. We are confident that we will acquire new customers in hospitals in Europe and the Arab world. We will also be able to increase our installation base in the USA and Asia with Nucletron.



Consolidated financial statements

ACCOUNTING AND VALUATION METHOD

This interim report from the NEXUS Group as of June 30, 2004, has been prepared in keeping with the International Financial Reporting Standards (IFRS). The interpretations of the International Financial Reporting Interpretation Committee (IFRIC) have been taken into account.

The same accounting and valuation methods were used in the interim accounts as of June 30, 2004, as in the consolidated financial statement for the 2003 business year. The report has not been audited.

CONSOLIDATED BALANCE SHEET AS OF 6/30/2004 AND 12/31/2003 (IFRS)

Assets	6/30/2004 KEUR	12/31/2003 KEUR
A. Short term capital		
I. Cash and Cash equivalents	3,663	3,238
II. Securities	13,194	12,666
	16,857	15,904
III. Receivables and other assets		
1. Trade receivables	5,193	6,269
2. Receivables from associated companies	6	10
3. Other assets	5,184	1,956
4. Tax refund claims	316	554
	10,699	8,789
IV. Inventories	968	528
V. Prepaid expenses	229	26
Total short term capital :	28,753	25,247
B. Long term capital		
I. Property, plant and equipment		
1. Tenant installations	-	-
2. Other equipment, factory and office equipment	567	405
	567	405
II. Intangible assets		
1. Concessions, industrial property rights and rights and assets as well as licenses for such rights and assets	666	875
2. Development costs	6,732	5,872
	7,398	6,747
III. Financial assets		
1. Investments in associates	812	809
2. Other lendings	43	40
	855	849
IV. Goodwill	3,548	67
V. Deferred taxes	6,836	4,929
Total assets :	47,957	38,244

Consolidated financial statements

CONSOLIDATED BALANCE SHEET AS OF 6/30/2004 AND 12/31/2003 (IFRS)

EQUITY AND LIABILITIES	6/30/2004 KEUR	12/31/2003 KEUR
A. SHORT TERM LIABILITIES		
I. Tax provisions	7	0
II. Other provisions	1,404	700
III. Bank loans	189	169
IV. Received payments on orders	610	102
V. Trade accounts payable	1,266	1,073
VI. Liabilities with associated companies	12	12
VII. Other liabilities	2,302	743
VIII. Deferred income	427	342
Total short term liabilities :	6,217	3,141
Pension provisions	426	373
Minority interest	500	588
B. EQUITY		
I. Subscribed capital	13,720	10,292
II. Capital reserve	38,898	35,025
III. Other reserves	21	1
IV. Equity capital difference from currency translation	-5	-1
V. Valuation reserve for financial instruments	15	24
VI. Consolidated loss carry forward	-11,111	-10,107
VII. Group loss	-724	-1,092
Total equity:	40,814	34,142
	47,957	38,244

Consolidated financial statements

GROUP PROFIT AND LOSS ACCOUNT AS OF 6/30/2004 AND 6/30/2003 (IFRS)

	-6/30/2004	-6/30/2003	-6/30/2004	-6/30/2003
	KEUR	KEUR	KEUR	KEUR
1. Revenue	3,685	3,545	6,313	6,019
2. Increase/decrease in finished goods and work in progress	-57	-222	329	470
3. Own work capitalised	1,094	598	1,817	1,856
4. Other operating income	294	76	404	126
5. Cost of materials				
a) Cost of raw materials, consumables and goods for resale	866	971	1,444	1,506
b) Cost for purchased services	150	237	280	475
6. Personnel costs				
a) Wages and salaries	2,009	1,859	3,750	4,188
b) Social costs	381	364	721	839
7. Depreciation and amortisation of fixed intangible and tangible assets	669	621	1,334	1,252
8. Other operating expenses	1,187	533	2,040	1,451
9. Other taxes	3	6	7	8
Operating result:	-249	-594	-713	-1,248
10. Expenses from associated companies	0	0	0	0
11. Other interest receivables and similar income	110	198	241	384
12. Revenue from associated companies	0	12	0	12
13. Write-off of financial assets	0	0	35	0
14. Interest payable and other similar charges	9	108	14	-93
Profit before tax :	-148	-276	-521	-759
15. Income taxes	-222	-71	-328	-177
Profit after tax:	-370	-347	-849	-936
16. Minority interest	137	35	125	67
Group loss:	-233	-312	-724	-869
Earnings per share				
Weighted average of issued shares (in thousands)	11,441	10,288	10,863	10,288
Result per share in EUR (diluted and undiluted)	-0.02	-0.03	-0.07	-0.08

Consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT AS OF 6/30/2004 AND 6/30/2003 (IFRS)

	IFRS 1/01/2004 6/30/2004 KEUR	IFRS 1/01/2003 6/30/2003 KEUR
1. Cash Flow from operating activities		
Results of the year, before deduction of profit payable to other shareholders, income taxes, interest and finance income/expenditure	-713	-1,248
Depreciation and amortization of intangible assets and plant, equipment and other fixed assets	1,334	1,252
Other expenses/Income with no impact on cash	-97	0
Profit/loss from disposal of securities	-35	149
Increase/decrease in inventories	-307	-490
Increase/decrease in trade receivables and other assets that cannot be allocated to investing or financing activities	2,029	177
Changes in provisions	154	215
Increase/decrease in trade accounts payable and other liabilities that cannot be allocated to investing or financing activities	-44	36
Interest paid	-5	-56
Interest payments received	98	445
Income taxes paid	-65	-210
Income taxes received	389	0
	2,738	270
2. Cash Flow from investing activities		
Cash received from disposal of property, plant and equipment/intangible assets	0	0
Cash paid for investments in property, plant and equipment/intangible	-1,890	-1,265
Cash received from the first-time consolidation of micom	88	0
Cash received for investments in financial assets	0	62
Cash paid for investments in financial assets	0	-102
Cash received from disposal of securities	4,170	-2,566
Cash paid for investments in securities	-4,868	2,623
	2,500	-1,248
3. Cash Flow from financing activities		
Acquisition of treasury shares	0	0
Inflows from minority shareholders as part of capital increase	0	0
	0	0
4. Cash and cash equivalents at end of period		
Cash relevant changes in cash and cash equivalents (sum of 1 + 2 + 3)	238	-978
Change in currency translation adjustment	-2	0
Cash and cash equivalents at beginning of fiscal year	3,238	3,217
	3,474	2,239
5. Composition of cash and cash equivalents		
Cash on hand	3,663	3,396
Bank liabilities due on demand	-189	-1,157
	3,474	2,239

Consolidated financial statements

DEVELOPMENT OF GROUP EQUITY AS OF 6/30/2004 AND 6/30/2003 (IFRS)

	Subscribed capital KEUR	Capital reserves KEUR	Other provisions KEUR	Equity difference from currency conversion KEUR	Equity difference Valuation reserve for financial instruments KEUR	Consolidated loss carry forward KEUR	Consolidated deficit KEUR	Equity KEUR	Authorized capital KEUR
Consolidated equity as of 1/1/2003 according to IFRS	10,276	35,014	1	3	-72	-9,735	-372	35,115	2,608
Transfer of 2002 consolidated loss to consolidated loss carry-forward	-	-	-	-	-	-373	372	-1	
Own shares	-	-	-	-	-	-	-	0	
Equity difference from currency conversion with NEXUS Medizinsoftware and Systeme AG	-	-	-	-1	-	-	-	-1	
Valuation of financial instruments at Fair Value	-	-	-	-	129	-	-	129	
Belated cost of IPO	-	-	-	-	-	-	-	0	
Consolidated deficit 3/31/2003	-	-	-	-	-	-	-869	-869	-
Consolidated equity on 6/30/2003	10,276	35,014	1	2	57	-10,108	-869	-34,373	2,608
Consolidated equity as of 1/1/2004 according to IFRS	10,292	35,025	1	-1	24	-10,107	-1,092	34,142	5,146
Transfer of 2003 consolidated loss to consolidated loss carry-forward	-	-	-	-	-	-1,004	1,092	88	
Increase of equity due to issue of new shares	3,428	3,873	19					7,320	-3,428
Equity difference from currency conversion with NEXUS Medizinsoftware and Systeme AG				-3	-	-	-	-3	
Valuation of financial instruments at Fair Value	-	-	-	-	-9	-	-	-9	
Consolidated deficit 2003	-	-	-	-	-	-	-724	-724	-
Consolidated equity as of 6/30/2004	13,720	38,898	20	-4	15	-11,111	-724	40,814	1,718

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