



NEXUS AG
HALF YEAR REPORT
June 30th, 2005

Letter to our stockholders

Dear Stockholders:

Information systems for medicine: This is a topic, which is the focus of **NEXUS** and which those responsible in the health care system are becoming increasingly aware of. We can also sense this tendency much more clearly in Germany in this year. The investment tendency is strengthening, and it is obvious that we are at the start of a growth and innovation phase in our segment.

We have integrated this development in our plans and formulated very ambitious rates of increase both for our sales and operating result. In doing this, the planning objectives for **NEXUS** remain the further improvement of our operating result, but we are concentrating on increasing sales in the core segment of Health Care Software.

We have taken a giant step in the direction of **achieving this goal** during the reporting period of January to June of the current year. Sales increased from **EUR 6.3 million** to **EUR 9.9 million (+56%)** during the first half year 2004. The area of Health Care Software has been decisive, which grew by approx. 97% from EUR 3.7 million to EUR **7.6 million**. This increase in sales was achieved both internationally and in Germany. The sales and operating results of GMT mbH, Frankfurt, purchased in April, were consolidated for the first time.

Analog to the satisfying development of sales, the operating result also improved considerably compared to the previous year. The EBITDA in the first half-year 2005 was **KEUR 1,749** (previous period in 2004: KEUR 738) and consequently exceeded the previous year's figure of **KEUR 909** by a considerable margin. The operating result before taxes improved by **KEUR 731** to **KEUR 210** (period in the previous year: KEUR -521). The Group result has become positive and is **KEUR 100** following **KEUR -724** in the first half-year of 2004 (+ KEUR 824).

The **cash flow** developed especially positively. Although we achieved a very positive operative cash flow in the same period of the previous year at approximately €2.7 million, we have been able to exceed this amount with about **€ 3.6 million** in the first half-year 2005. This value affects **cash on hand**, which has increased to **€19.6 million** and consequently improved by €2.9 million compared to the balance sheet date 2004.



Dr. Ingo Behrendt
CEO NEXUS AG

The good start into the first half-year will contribute to achieving our ambitious goals of the current year. This also applies to **orders received** till now. We expect to surpass the good results of 2004 here.

We have continued our strategy with the **acquisition of GMT mbH** in April of this year. GMT is one of the market leaders in obstetrics and has a large number of regular customers. **NEXUS Group** has acquired **additional skills** in the area of gynecology with GMT, which represents an ideal complement to our product portfolio.

We are going to integrate GMT – as micom last year – consistently and elevate the products to the shared technological platform with **NEXUS** products. This will provide another component in the modular product range of **NEXUS**, which makes it possible for customers to decide whether they want to use individual modules or the complete system from **NEXUS**.

It will be a question of continuing the positive development of the current year and initiating additional strategic measures till the end of this year. In addition, we are also going to use this year to sharpen the profile of **NEXUS** with a uniform presence on the market. We are facing interesting challenges with these tasks, which make it necessary for us to continue our present course. It will not be a question of short-term successes here, but rather the pursuit of long-term, sustainable strategies. Our goal of becoming a significant global player with medical information systems will be the focus of our actions.

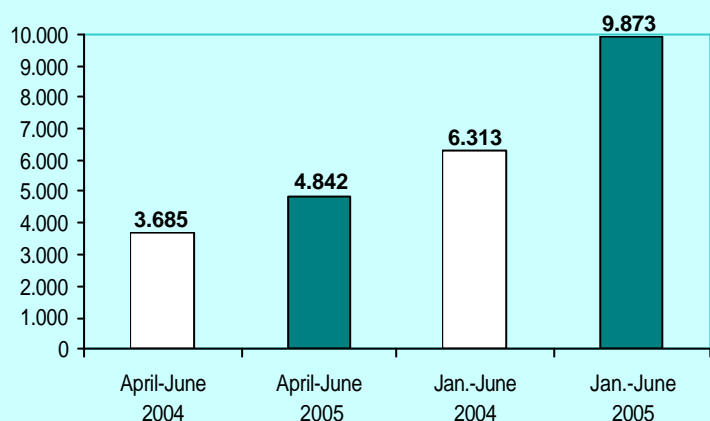
A handwritten signature in black ink, which appears to read "Ingo Behrendt". The signature is written in a cursive style with some stylized flourishes.

Sales and Result Improved Again

The NEXUS Group achieved sales of **KEUR 9,873** in the first half-year of 2005 following **KEUR 6,313** (+56.4%) in the same period of the previous year. Sales increased by 31% from **KEUR 3,685** to **KEUR 4,842** compared to the second quarter. The increase in sales are thanks partial invoicing of larger orders and increased business in the first half-year.

Sales amounted to **KEUR 3,685** in the Healthcare Software segment in the second quarter 2005 compared to **KEUR 2,491** (+47.9%) in the same quarter of 2004. Sales in the Healthcare Service Division declined by 3.1% from **KEUR 1,194** to **KEUR 1,157** during the same period. The sales and operating result of the GMT mbH, Frankfurt were consolidated for the first time.

GROUP SALES IN KEUR



Sales according to regions show a substantial improvement in Germany (+68.5%). Sales in countries outside of Germany increased by almost 16%. This is above all due to further increases of our market share in Switzerland. Sales decreased considerably in Austria due to accounting procedures. The share of sales outside of Germany decreased overall from 23% to 17.1%.

Sales improved by 96.8% from **KEUR 3,868** to **KEUR 7,613** in the Healthcare Software segment. On the other hand, sales in the area of Healthcare Service declined by 7.6% to **KEUR 2,260** (first half-year 2004: KEUR 2,445).

Sales by areas

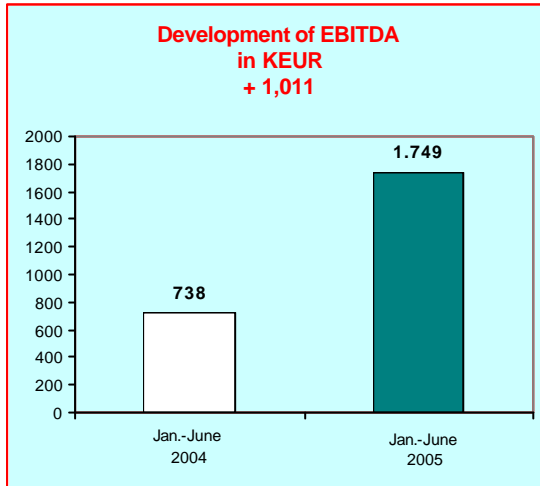
	01/01/- 06/30/2004 KEUR	01/01/- 06/30/2005 KEUR	△ in %	04/01/- 06/30/2004 KEUR	04/01/- 06/30/2005 KEUR	△ in %
Germany	4.856	8.184	68,5	2.829	4.163	47,2
Switzerland	529	943	78,3	285	430	50,9
Austria	238	95	-60,1	23	15	-34,8
Italy	73	344	*	44	23	*
Rest of Europe/USA	113	255	*	1	192	*
Kuwait	504	52	*	503	19	*
Total:	6.313	9.873	56,4	3.685	4.842	31,4

Sales by divisions

	01/01/- 06/30/2004 KEUR	01/01/- 06/30/2005 KEUR	△ in %	04/01/- 06/30/2004 KEUR	04/01/- 06/30/2005 KEUR	△ in %
Health-Care Software	3.868	7.613	96,8	2.491	3.685	47,9
Health-Care Service	2.445	2.260	-7,6	1.194	1.157	-3,1
Total:	6.313	9.873	56,4	3.685	4.842	31,4

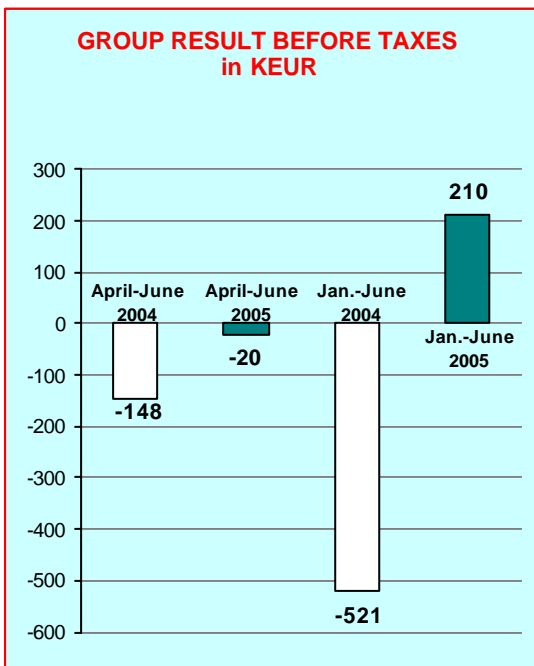
Results of the First Six Months 2005

The **EBITDA** increased by **KEUR 1,011** (previous year: KEUR 738) to **KEUR 1,749** in the first half-year 2005.



The positive trend in the development of the operating result also continued in the first half-year 2005. The first results of the consistent use of synergy potential within the Nexus Group are being reflected here.

The result before taxes is **KEUR 210** following **KEUR -521** in the first half-year 2004. The Group result after taxes also improved by **KEUR 824** to **KEUR 100** (first half-year in the previous year: KEUR -724) despite a much higher rate of deferred tax liabilities.



There was a substantial improvement in the Healthcare Software segment from **KEUR 206** to **KEUR 180** (first half-year 2004: KEUR -26). We were able to reverse the trend in the development of results in the Healthcare Service segment. Consequently, this segment showed an improvement by **KEUR 409** to **KEUR -80** (first half of 2004: KEUR -489).

The **second quarter 2005** showed an improvement in the operating result before taxes by KEUR 128 to KEUR -20 (Q2 2004: KEUR -148). The EBITDA was higher by KEUR 172 at **KEUR 717** compared to the second quarter 2004 (KEUR 545). This development confirms the positive trend of the first quarter.

The **cash flow** from current transactions improved by **KEUR 841** from KEUR 2,738 in the first half-year 2004 to **KEUR 3,579**. We would also like to emphasize that cash reserves increased again compared to the previous quarter and compared to December 31, 2004. **Cash reserves** amounted to **KEUR 19,554 on the cutoff date** (Dec. 31, 2004: KEUR 16,694).

HIGHLIGHTS

SALES AND RESULTS

- + Sales increase of 56% in the first half-year 2005
Compared to previous year: from KEUR 6,313 to KEUR 9,873
- + Sales increase in Healthcare Software area by 97% to EUR 7.6 million
- + Increase of international business by 16%
- + EBITDA increases by KEUR 1,011 to KEUR 1,749 (2004: KEUR 738)
- + Result after taxes increases by KEUR 824 to KEUR 100 (2004: KEUR -724)
- + Cash reserves increased to EUR 19.6 million (+ EUR 2.8 million) thanks to high operative cash flow

NEXUS in the Environment of the Financial and Healthcare Markets

NEXUS STOCKS REACH €4.00 MARK



_NEXUS stocks showed a continual upward movement in the first half-year 2005. Following a slight decline in May, NEXUS stocks climbed to a rate of more than € 4.00 and continued to show increases in their further development.

NEXUS STAYS IN CONTACT

_Regardless of whether you want paper or electronic documents from NEXUS, we provide you with the requested information. EMail us at mail@nexus-ag.de, and you will receive our financial reports or product information as soon as possible. These documents are available for downloading from our homepages www.nexus-ag.de.

If you would like information on the Telephone, you can call our Investor Relations Team at 07721-8482-320.

FINANCIAL CALENDAR AND EVENTS

FINANCIAL EVENTS

Half Year Report 2005	August 30 th , 2005
Interim Report Q3/2005	November 29 th 2005

EXHIBITIONS

eHealthCare 5 th Swiss eHealthCare Congress and trade fair Nottwil www.ehealthcare.ch	Oct. 25 th to 26 th 2005
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MEDICA 2005 World's Largest Medical Trade Fair Dusseldorf www.medica.de	Nov. 16 th to 19 th 2005
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NEW CUSTOMERS / Complete Hospital Solutions

+ NEXUS wins contracts for 3 hospitals in the canton of Lucern

Three hospitals in Lucern Canton are being furnished with the electronic patient files of the NEXUS AG, which are replacing the previous system from GWI.

+ NEXUS wins psychiatry Altenburg, Schleiz and Berlin

The Altenburg Psychiatry Clinic, the Schleiz Hospital and the Hospital for Lung Disease and Thorax Surgery in Berlin have decided to use NEXUS.MediCare.plus™.

NEW CUSTOMERS / Ward Solutions

+ NEXUS wins 8 customers for the obstetrics solution nexus/gmt

8 new clinics will work with the obstetrics solution nexus/gmt in the future. For example, St. Josefs Clinic Offenburg or the Dortmund Hospital. It was also possible to win contracts internationally from hospitals in Luembourg, Vienna and Brussels. Barmbeck General Hospital and Altenburg District Hospital have decided to use the complete ward solution for the gynaecological hospital.

+ NEXUS installs software for quality management at 6 new customers

6 new clinics could be won for the solution NEXUS.Datacurator.

Decision in Favor of NEXUS

HOSPITALS AND SPECIALIST CLINICS IN SWITZERLAND AND GERMANY ARE GOING TO WORK WITH SOLUTIONS FROM NEXUS IN THE FUTURE

The winning of new customers and the expansion of existing markets were the focal points in the first six months of the current business year.

NEXUS is equipping three hospitals in the Lucern Canton with electronic patient files

In Switzerland, the Lucern Canton Hospital and the cantonal hospitals Sursee-Wolhusen have decided to introduce the electronic patient file system from NEXUS AG. The goal of this project is to install the basic files with the same structure in all three hospitals. The Lucern Canton Hospital decided to replace the system from GWI, which it previously used, and use that from NEXUS AG in the future.



The Lucern Cantonal Hospital is the main hospital in the heart of Switzerland. It treats approximately 24,000 inpatients and 77,000 outpatients annually. About 1,500 children are born there every year. The hospitals provide basic medical care for 130,000 people in the canton of Lucern.

The installation will start in Sursee Hospital, which currently does not have any such system. Installation of the patient files should be finished there by the beginning of 2006.



NEXUS and micom Together in New Hospitals

Additional, big name customers could be won in Germany with the Altenburg Psychiatry Clinic, the Schleiz Hospital and the Hospital for Lung Disease and Thorax Surgery in Berlin.

NEXUS.MediCare.plus™ will be introduced patient and treatment management in Altenburg, a specialist clinic for psychiatry with 100 beds. Special attention will be paid to outpatient billing there, because this must already function in the fourth quarter 2005, because the previous supplier was unable to implement the new legal requirements.



In Schleiz, a hospital providing basic medical care with approx. 106 beds, the previous IT strategy is being examined and a long-year partnership has been concluded with NEXUS.micom within the framework of acquisition by the Greiz Hospital. This collaboration includes patient and treatment management with the respective business and logistic partner products.

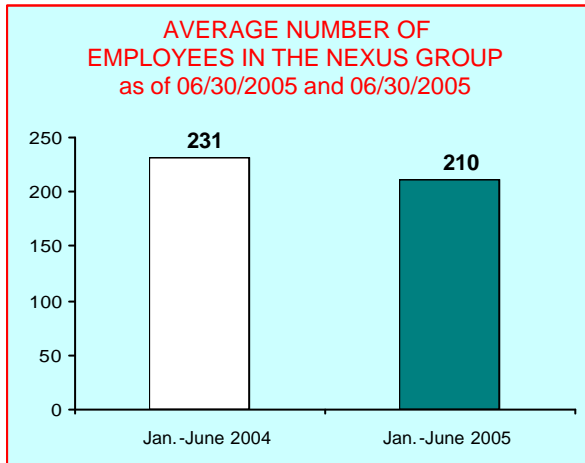


The existing partnership has been expanded further with the VZE (Association for Establishing Protestant Hospitals). The Hospital for Lung Disease and Thorax Surgery in Berlin with 170 beds, 4,500 inpatients and 7,400 outpatients per year has decided to use NEXUS.MediCare.plus™ based on the previous position experiences of VZE with the NEXUS Group.

NEXUS Company Information

NUMBER OF EMPLOYEES DECREASED DUE TO INTEGRATION

The number of employees was 210 persons as of June 30, 2005. A total of 231 persons were employed in the same period of the previous year. Several workflows could be optimized here within the framework of integrating subsidiaries.



DIRECTORS HOLDINGS

Compared to December 31st, 2004 the Directors Holdings of the Supervisory and Executive Board are as follows:

Supervisory Board	Number of shares	Number of options
Dr.jur. Hans-Joachim König	83.199 previous year 81.099	0 previous year 0
Dr. Herwig Freiherr von Nettelhorst	0 previous year 0	0 previous year 0
Ronny Dransfeld	0 previous year 0	0 previous year 0
Dr. Dietmar Kubis	0 previous year 0	0 previous year 0
Prof.Dr. Ulrich Krystek	0 previous year 0	0 previous year 0
Wolfgang Dörflinger	0 previous year 0	0 previous year 0
Executive Board		
Dr. Ingo Behrendt	40.000 previous year 40.000	210.000 previous year 50.000
Diplombetriebswirt Stefan Burkart	116.147 previous year 76.147	0 previous year 0

Outlook

The positive first half year is a confirmation and stimulus for us at the same time to continue our strategy consistently for the rest of the year.

The market for information systems in the healthcare system is a growth market and offers companies, which are customer oriented and innovative, excellent growth opportunities. NEXUS has made substantial progress in fighting for a favorable position among its competitors over the past year. Its "installed basis" and "availability of future-oriented technologies" are crucial factors here where we have been very successful.

We are continuing to work further on these factors. It will not be a question of short-term successes here, but rather the implementation of long-term, sustainable market and technology strategies.

We are going to emphasize further technological integration of our products and development of uniform and convincing market communication during the rest of this year. We are also going to strengthen our activities in partner and foreign business to open up markets of the future.

This great number of activities is making it imperative to use our strengths in concentrated manner to achieve a balance between and investments and another a satisfying profit situation.

Facts and Figures

ACCOUNTING AND VALUATION METHOD

This interim report from the NEXUS Group as of June 30th 2005 has been prepared in keeping with the International Financial Reporting Standards (IFRS). The interpretation of the International Financial Reporting Interpretation Committee (IFRIC) has been taken into account.

The same accounting and valuation methods were used in the interim accounts as in the consolidated financial statements for the business year 2004. The report has not been audited.

CONSOLIDATED BALANCESHEET AS OF JUNE 30, 2005 AND DECEMBER 31, 2004 (IFRS)

ASSETS	Annex	31.12.2004 KEUR	30.06.2005 KEUR
A. Short term capital			
I. Cash and cash equivalents		2.769	5.427
II. Securities		13.925	14.127
		16.694	19.554
III. Receivables and other assets			
1. Trade receivables		6.052	5.034
2. Receivables from associated companies		24	0
3. Other assets		3.909	3.035
4. Tax refund claims		383	252
		10.368	8.321
IV. Inventories		680	399
V. Prepared expenses		78	217
TOTAL SHORT TERM CAPITAL :		27.820	28.491
B. Long term capital			
I. Property, plant and equipment			
1. Tenant installations		.	.
2. Other equipment, factory and office equipment		451	434
		451	434
II. Intangible assets			
1. Concessions, industrial property rights and rights and assets as well as licenses from such rights and assets		439	232
2. Development costs		7.296	7.639
		7.735	7.871
III. Financial assets			
1. Investments in associates		62	57
2. Other loans		43	43
		105	100
IV. Goodwill			
1. Goodwill		5.221	5.655
2. customer base/technology		2.169	2.078
V. Deferred taxes		4.281	4.137
TOTAL ASSETS :		47.782	48.766

Facts and Figures

CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2005 AND DECEMBER 31, 2004 (IFRS)

LIBILITIES AND EQUITY	Annex	31.12.2004 KEUR	30.06.2005 KEUR
A. SHORT TERM LIABILITIES			
I. Tax provisions		6	7
II. Other provisions		1.595	1.671
III. Bank loans		184	225
IV. Received payments for orders		998	633
V. Trade accounts payable		1.874	1.699
VI. Liabilities with associated companies		47	33
VII. Other liabilities		1.085	1.959
VIII. Deferred income		123	642
Total short term liabilities :		5.912	6.869
Pension provisions		405	418
Minority interest		440	389
B. Equity			
I. Subscribed capital		13.720	13.720
II. Capital reserves		38.898	38.868
III. Other reserves		1	1
IV. Equity capital difference from currency conversion		3	3
V. Validation reserve for financial instruments		75	71
VI. Consolidated loss carry forward		-11.199	-11.673
VII. Group loss		-473	100
Total equity :		41.025	41.090
		47.782	48.766

Facts and Figures

GROUP PROFIT AND LOSS ACCOUNT AS OF JUNE 30, 2005 AND JUNE 30, 2004 (IFRS)

	01.04.2004 -30.06.2004 KEUR	01.04.2005 -30.06.2005 KEUR	01.01.2004 -30.06.2004 KEUR	01.01.2005 -30.06.2005 KEUR
1. Revenue	3.685	4.842	6.313	9.873
2. Increase/decrease in finished goods and work in progress	-57	-203	329	-386
3. Own work capitalized	1.094	863	1.817	1.662
4. Other operating income	294	608	404	741
5. Cost of materials				
a) Cost of raw materials, consumables and goods for resale	866	926	1.444	1.895
b) Cost for purchased services	150	339	280	648
6. Personnel costs				
a) Wages and salaries	2.009	2.531	3.750	4.648
b) Social costs	381	466	721	882
7. Depreciation and amortization of fixed intangible and tangible assets	669	876	1.334	1.749
8. Other operating expenses	1.187	1.111	2.040	2.119
9. Other taxes	3	2	7	5
Operating result :	-249	-141	-713	-56
10. Expenses from associated companies	0	0	0	0
11. Other interest receivables and similar income	110	136	241	289
12. Revenue from associated companies	0	0	0	0
13. Write-offs of financial assets	0	0	35	6
14. Interest payable and other similar charges	9	15	14	17
Profit before tax :	-148	-20	-521	210
15. Income taxes	-222	-89	-328	-162
Profit after tax :	-370	-109	-849	48
16. Minority interest	137	-20	125	52
Group result :	-233	-129	-724	100
Earnings per share				
Weighted average of issued shares (in thousands)	10.292	13.720	10.292	13.720
Result per share in EUR (diluted and undiluted)	-0,02	-0,01	-0,07	0,01

Facts and Figures

CONSOLIDATED CASH FLOW STATEMENT AS OF JUNE 30, 2005 AND 30, 2004 (IFRS)

	IFRS 01.01.2004 - 30.06.2004 KEUR	IFRS 01.01.2005 - 30.06.2005 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	-56
Depreciation and amortization	1.334	1.748
Other expenses/income with no impact on cash	-97	79
Profit/loss disposal of securities	-35	-54
Increase/decrease in inventories	-307	422
Increase(decrease in trade receivables and other assets that cannot be allocated to investing or financing activities	2.029	2.032
Changes in provisions	154	39
Increase/decrease in trade receivables and other liabilities that cannot be allocated to investing or financing activities	-44	-989
Interest paid	-5	-14
Interest payment received	98	241
Income taxes paid	-65	-99
Income taxes received	389	230
	<u>2.738</u>	<u>3.579</u>
2. Cash Flow from investing activities		
Cash received from disposal of property, plant and equipment/intangible assets	0	1.746
Cash paid for investment in property, plant and equipment/intangible assets	-1.890	-2.579
Cash paid for investment in financial assets	88	-83
Cash paid for investment in associated companies	0	0
Cash received disposal of securities	4.170	8.714
Cash paid for investments in securities	-4.868	-8.995
	<u>-2.500</u>	<u>-1.197</u>
3. Cash flow from financing activities		
Acquisition of treasury shares	0	-31
Inflows from minority shareholders as part of capital increase	0	0
	<u>0</u>	<u>-31</u>
4. Cash and cash equivalents at end of period		
Cash relevant changes in cash and cash equivalent (sum of 1 + 2 + 3)	238	2.351
Change in currency conversion adjustment	-2	0
Konsolidierungskreisbedingte Änderung des Finanzmittelfond		79
Cash and cash equivalents at beginning of fiscal year	3.238	2.772
	<u>3.474</u>	<u>5.202</u>
5. Composition of cash and cash equivalent		
Cash on hand	3.663	5.427
Bank liabilities due on demand	-189	-225
	<u>3.474</u>	<u>5.202</u>

Facts and Figures

DEVELOPMENT OF GROUP EQUITY OF JUNE 30, 2005 AND JUNE 30, 2004 (IFRS)

	Subscribed capital KEUR	Capital reserves KEUR	Other provisions KEUR	Equity difference from currency conversion KEUR	Reserve for financial instruments KEUR	Consolidated loss carry forward KEUR	Consolidated deficit KEUR	Equity KEUR	Authorized capital KEUR
Consolidated equity as of 01/01/2004 according to IFRS	10.292	35.025	1	-1	24	-10.107	-1.092	34.142	5.146
Transfer of 2003 consolidated loss to consolidate 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 Medizin- software und Systeme AG	-	-	-	-3	-	-	-	-3	
Valuation of financial instruments at Fair Value	-	-	-	-	-9	-	-	-9	
Consolidated deficit June 30th, 2004	-	-	-	-	-	-	-724	-724	-
Consolidated equity as of June 30th, 2004	13.720	38.898	20	-4	15	-11.111	-724	40.814	1.718
Consolidated equity as of 01/01/2005 according to IFRS	13.720	38.898	1	3	75	-11.199	-473	41.025	1.718
Transfer of 2004 consolidated loss to consolidate loss carry-forward	-	-	-	-	-	-473	473	0	
Equity difference from currency conversion with Nexus Medizin- software und Systeme AG	-	-	-	-	-	-	-	0	
Valuation of financial instruments at Fair Value	-	-	-	-	-5	-	-	-5	
Cost of capital increase	-	-31	-	-	-	-	-	-31	5.142
Consolidated profit June 30th, 2005	-	-	-	-	-	-	100	100	-
Consolidated equity as of June 30th, 2005	13.720	38.867	1	3	70	-11.672	100	41.089	6.860

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