

Quarterly Report

September 30, 2006

NEXUS AG, Villingen-Schwenningen



Letter to our stockholders

Dear Stockholders

The third quarter 2006 has confirmed the previous development in the current year. NEXUS is **growing profitably** and continually improving its competitive position.

This good development is linked with strong concentration on the aspects of customer satisfaction and innovative strength at the same time. These factors provide a lot of potential for success, which will result in improved service, new products and – connected to that – improved results in the next periods. **We are investing** considerable means in strengthening this potential this year and are convinced that we are creating an excellent position for us for the coming years.

We have already been able to see very positive effects of this customer and innovation initiative this year. We already acquired **more new customers** in September of this year than in the complete preceding year. These are orders, which represent a special challenge to our organization and product quality at the same time. We will have to prove that we are worthy of our customers' trust even when there is a lot of project pressure.

Customers expect highly professional solutions with advanced technology and contents to optimize their hospital processes. This is a challenge, which we have to face in projects and project development every day.

The same applies to **fulfillment of our quotas** for the current year, which we can consider very optimistically against the background of the nine-month figures. The positive development of the last **17 quarters** has also been continued without a break in the third quarter.

Sales increased in the first nine months by approx. **13.3%** from EUR 15.1 million to **EUR 17.1 million**. The **Healthcare Software Division** again developed with sales of EUR 14.2 million convincingly and recorded growth of **24.8%** (previous year: EUR 11.4 million).

The sales contribution of the acquired iSOFT Switzerland GmbH was consolidated.

Highlights 09/2006 Group Sales and Result

- + **13.3% sales increase in the first nine months 2006 from KEUR 15,102 (Q3 2005) to KEUR 17,110**
- + **24.8% sales increase in the sector HC software from KEUR 11,354 (Q3 2005) to KEUR 14,172**
- + **Result before taxes 228.5% higher than previous year at KEUR 736**
- + **Foreign share of total sales increased from 15.9% to 31.8%**

The operating result of the first nine months also improved convincingly. The **result** before taxes of the first nine months of 2006 increased from KEUR 224 in the same period of the previous year in 2005 to **KEUR 736** (+228.5%). The result after taxes was **KEUR 592** compared to KEUR **-76** in the same period of the previous year.

The balance relations have not changed essentially compared to Dec. 31, 2005. The amount of cash on hand remains high at 17.4 million euros despite the company acquisition and ensures long-term development of the company.

We are **confident** that we will achieve our goals in 2006 against the background of the very stable development of NEXUS in the first nine months. In the remaining time of 2006, we are going to concentrate strongly on advancing our new projects, intensifying our marketing measures and launching the planned products on the market.

The integration of acquired organizations is also an outstanding focal point of our work this year. We are doing this in the knowledge that the successful path till now can only be continued consistently if we succeed in getting the **employees** of the acquired companies to identify with NEXUS. We will continue to work on this.

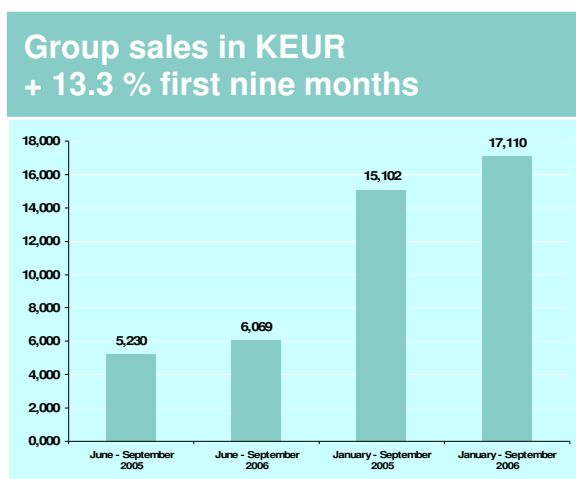
Dr. Ingo Behrendt
CEO NEXUS AG



Dr. Ingo Behrendt
CEO NEXUS AG

Sales increase again

NEXUS Group sales increased from **KEUR 15,102** to **KEUR 17,110** (+13.3%) in the first nine months of the year 2006.



A sales volume of **KEUR 5,072** was even achieved in the **Healthcare Software** segment in the third quarter compared to **KEUR 3,741** (+35.6%) in the same quarter of 2005. Sales in the Healthcare Service Division declined by 33.0% from KEUR 1,489 to KEUR 997 during the same period.

Sales according to regions continue to show a substantial improvement in the Healthcare Software area in the international market (+126.7%). The first consolidation of the NEXUS / SCHWEIZ GmbH, Schwerzenbach is included in this.

The share of **sales outside of Germany** increased overall from 15.9% to **31.8%**.

Growth increased in international business during the first nine months, while domestic business declined slightly (-8.1%) due to the lower sales in the Healthcare Service Division.

Sales improved by 24.8% from **KEUR 11,354** to **KEUR 14,172** in the Healthcare Software segment.

Sales in the area of Healthcare Service were **KEUR 2,938** following KEUR 3,748 (-21.6%).

Group sales increased by **16.0%** from **KEUR 5,230** to **KEUR 6,069** compared to the second quarter.

Sales by divisions in KEUR

	01.01.- 30.09.2005	01.01.- 30.09.2006	△ in %	01.07.- 30.09.2005	01.07.- 30.09.2006	△ in %
Healthcare Software	11,354	14,172	24.8	3,741	5,072	35.6
Healthcare Service	3,748	2,938	-21.6	1,489	997	-33.0
Gesamt :	15,102	17,110	13.3	5,230	6,069	16.0

Sales by regions KEUR

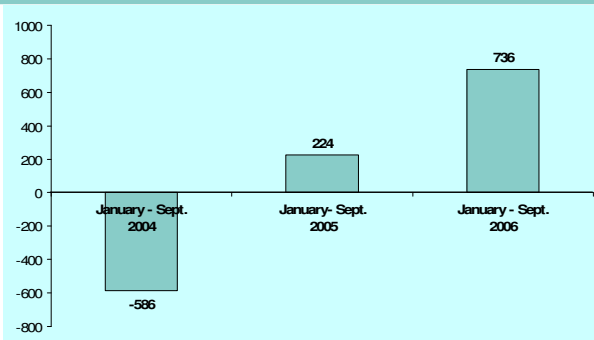
	01.01.- 30.09.2005	01.01.- 30.09.2006	△ in %	01.04.- 30.09.2005	01.07.- 30.09.2006	△ in %
Germany	12,703	11,670	-8.1	4,520	3,725	-17.6
Switzerland	1,384	3,737	170	441	1,778	303.2
Austria	203	374	84.2	108	34	-68.5
Italy	367	252	-31.3	23	187	-
Rest of Europe / USA	368	1,045	184	113	340	200.9
Arabian region	77	32	-58.4	25	5	-80
Total :	15,102	17,110	13.3	5,230	6,069	16.0

Ongoing growth of Results

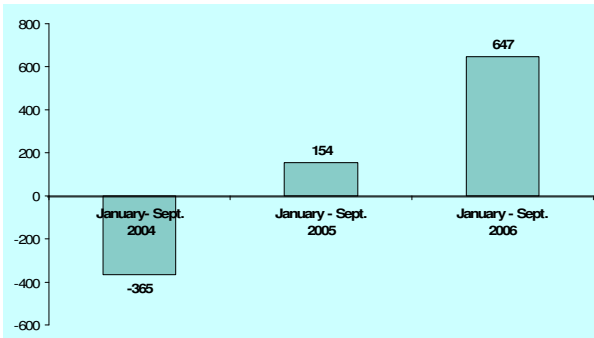
The development of results in the reporting period continued the positive trend of the previous quarters. The Group result before taxes improved by **KEUR 512** to **KEUR 736** (previous year: KEUR 224). The result after taxes improved even more by **KEUR 668** to **KEUR 592** (previous year: KEUR -76).

The **EBITDA** in the reporting period amounted to **KEUR 2,887** (previous year: KEUR 2,548).

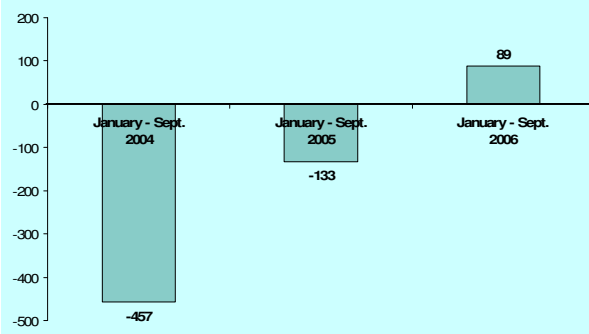
Group result before taxes: + KEUR 512 as of Sept 30th, 2006



Segment result for HC Software: + KEUR 493 as of Sept 30th, 2006



Segment result for HC Service: + KEUR 222 as of Sept, 30th, 2006



The result in the segment of "Healthcare Software" increased by **KEUR 493** to **KEUR 647** (previous year: KEUR 154) in the first nine months of 2006. The improvement of results from the previous year was continued in the Healthcare Service Division. The result improved by **KEUR 222** to **KEUR 89** (previous year: KEUR -133).

The **cash flow** from current transactions decreased by KEUR 2,282 from **KEUR 3,800** to **KEUR 1,518** compared to the previous year. Special effects from the reduction of claims influenced the cash flow in the previous year. The Group continues to have a large amount of cash funds. **Cash reserves** amounted to **KEUR 17,350** on the cutoff date (Dec. 31, 2005: KEUR 19,389).

Highlights 09/2006 Group Sales and Result

- + Improvement of results in the "HC Software" Division by KEUR 493 to 647
- + Improvement of results in the "Healthcare Service" Division by KEUR 222 KEUR 89
- + Cash funds amount to EUR 17.4 million despite company acquisition

NEXUS in the Environment of Financial and Health Markets

PRICE OF NEXUS-SHARES



NEXUS shares first developed weakly during the course of the year analog to the TecDax. A clear recovery started at the end of September, which was also connected with the increasing sales of NEXUS shares on the stock markets. The increase continued in October with some interruptions.

NEXUS MAINTAINS CONTACT

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

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

Finance schedule

Annual Report 2006	March 26th, 2007
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Event and trade fair schedule

DGPPN Kongress 2006, Berlin (D)	November, 22th-25th
Arab Health 2007, Dubai (V.A.E)	Jan., 29th - Feb., 1st

Decisions in favor of NEXUS in the first nine months in 2006

Complete solution

- DGD Krankenhaus, Sachsenhausen (D)
- Gesundheitszentrum, Fricktal (CH)
- Allg. öffentliches Krankenhaus, Dornbirn (A)

- Psychiatrie Uniklinik, Basel (CH)
- Clementinenhaus, Hannover (D)
- Klinik Hohe Mark (D)

Ward solution

- Med. Einricht. Oberpfalz, Regensburg (D)
- Krankenanstalt der Stadt, Vienna (A)
- Städtisches Krankenhaus, Forchheim (D)
- Universitätsklinik, Marburg (D)
- Virngrundklinik, Ellwangen (D)
- Kantonsspital, Luzern (CH)
- Universitätsklinikum, Göttingen (D)
- Kreiskrankenhaus, Annweiler (D)
- Klinik Bad Bergzabern (D)
- Klinikum Landau (D)
- Krankenhaus, Achim (D)
- Krankenhaus, Verden (D)
- Klinikum Landsberg am Lech (D)
- Alfried Krupp Krankenhaus, Essen (D)
- Westpfalzlinikum, Kaiserslautern (D)

- Universitätsklinik, Erlangen (D)
- St. Barbara, Attendorn (D)
- Städtisches Krankenhaus, DD-Neustadt (D)
- Klinikum St. Antonius, Wuppertal (D)
- Klinikum, Villingen-Schwenningen (D)
- Hospital Diyarbakir, Diyarbakir (TR)
- Krankenhaus St. Josef / Göttlicher Heiland, Vienna (A)
- Universitätsklinikum, Erlangen (D)
- Kreiskrankenhaus, Landau an der Isar (D)
- Praxis Buchholz, Munich (D)
- Kreiskrankenhaus, Bietigheim-Bissingen (D)
- Universität Reus, Sant Joan (E)
- Universitätsklinikum, Homburg/Saar (D)
- Diakoniekrankenhaus Bad Kreuznach (D)

NEXUS: A Modular Hospital Information System

Comprehensive support of multistage hospital processes is the main success factor for introducing hospital information systems. New organization forms in hospitals such as specialty-overlapping medical centers or multiprofessional treatment teams require the use of adaptable **software services** (functional components).

NEXUS relies consistently on the user of functional components in its software architecture and consequently ensures a high degree of safeguarding for the future in software development.

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

As a hospital information system of the next generation, NEXUS / MEDFOLIO is structured **modularly** and **open**.

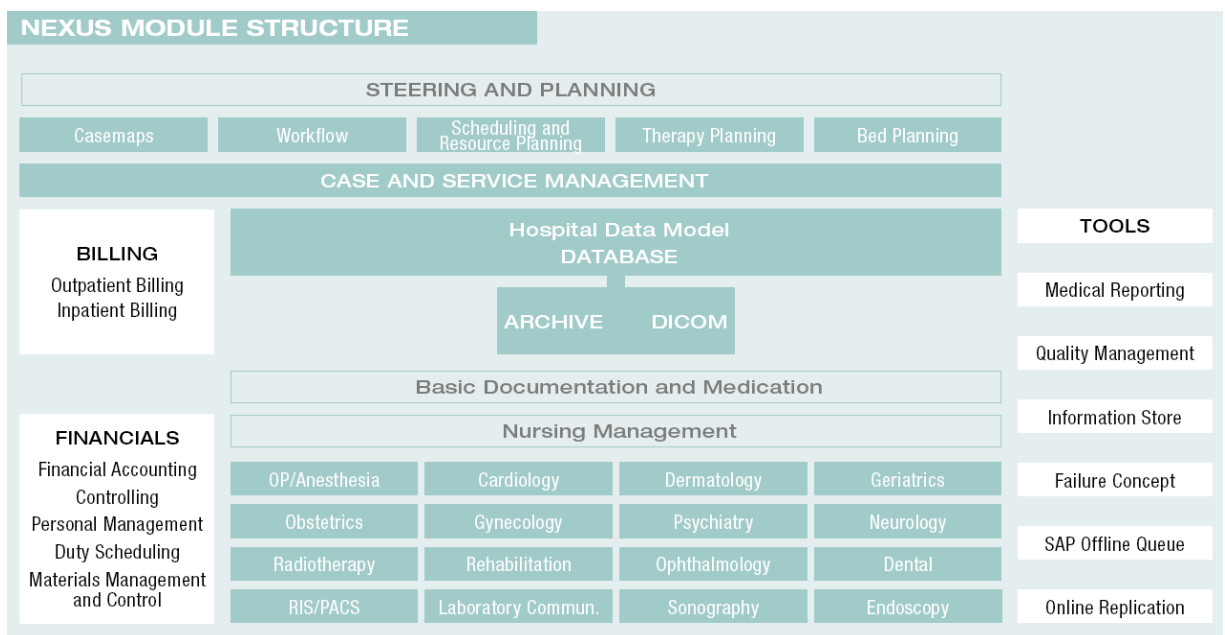
Monolithic, closed application structures have proved to be too inflexible faced with the dynamic changes in the health care system.

NEXUS enables a step-by-step introduction of software modules with its modular architecture and consequently makes integration into existing EDP landscapes possible. This is a substantial advantage for staff in the health care system, who can adapt **step-by-step** to the challenges of information processing.

The advantages are obvious: Thanks to the open architecture, existing investments are protected and one-sided dependence on one single provider is avoided in the long term.

NEXUS shows with this architecture that the system properties “**integrated**” and “**flexible use**” are not a contradiction, but instead complementary.

This is a strategy, which the industry and especially customers find very welcome and which is pointing the way to the future.

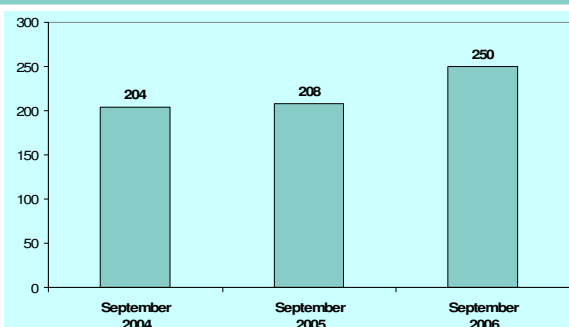


NEXUS Group information and Outlook

NUMBER OF EMPLOYEES INCREASED DUE TO INTEGRATION

NEXUS AG **employed** a total of **250** people on the average as of September 2006. A total of 208 persons were employed in the same period of the previous year. New employees were integrated in the wake of integrating iSOFT Switzerland GmbH, which result above all in increasing our development skills in the Healthcare Software sector. **Eleven new employees** were hired in the Healthcare Software Division.

Average number of employees at NEXUS Group



DIRECTORS HOLDINGS

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

Directors Holdings		
	Number of stocks owned	No. of options
Supervisory Board		
Dr. jur. Hans-Joachim König	81,099 Previous year: 81,099	0 Previous year: 0
Dr. Herwig Freiherr von Nettelhorst (until stockholders meeting 2006)	0 Previous year: 0	0 Previous year: 0
Prof. Dr. Alexander Pocsay (as of stockholders meeting 2006)	0 Previous year: 0	0 Previous year: 0
Ronny Dransfeld	0 Previous year: 0	0 Previous year: 0
Dr. Dietmar Kubis	0 Previous year: 0	0 Previous year: 0
Prof. Dr. Ulrich Krystek	0 Previous year: 0	0 Previous year: 0
Wolfgang Dörflinger	0 Previous year: 0	0 Previous year: 0
Executive Board		
Dr. Ingo Behrendt (MBA)	82,000 Previous year: 40,000	340,000 Previous year: 150,000
Dipl.-Betriebswirt (FH) Stefan Burkart	116,147 Previous year: 76,147	0 Previous year: 0

OUTLOOK

We have continued the positive development consistently of 2006 in the third quarter. **More important:** We were able to completely fulfill our goals in project development, customer projects and new sales. These successes are not a matter of course in our highly competitive market.

We have succeed in winning customers with a very convincing market and product strategy and convincing them about the advantages of digitalizing medical processes.

The quantity of new orders shows that the strategy of a modular, medical information system, which can be adapted specific to target groups, has been well received internationally. It confirms this viewpoint. Customer are increasing demanding more comprehensive hospital information systems, which can support medical and administrative processes in hospitals and can also communicate regionally between institutions providing treatment. NEXUS is well prepared for these demands with its modern products.

The **integration of our subsidiaries** is essential for our success. It will be a question over the coming months of continuing development of a standardized strategy for technology, quality and products.

We are **very optimistic** overall with respect to the end of this year and next year. We are convinced that we will achieve the goals we set in 2006 and can start 2007 with ambitious plan values.

Facts and Figures Consolidated balance sheet as of Sept 30, 2006 and Dec 31, 2005 (IFRS)

ACCOUNTING AND VALUATION METHOD

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

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

Assets	31.12.2005	30.09.2006
	KEUR	KEUR
Long Term capital		
I. Intangible assets		
1. Concessions, industrial property and rights and assets as well as licenses from such rights and assets	158	143
2. Goodwill	6,080	7,743
3. Development costs	8,046	8,456
4. customer base / technology	2,600	2,402
II. Property, plant and equipment		
1. Tenant Installations	29	16
2. Other equipment, factory and office equipment	434	537
III. Financial assets		
1. Investments in associates	45	45
2. Other loans	43	43
IV. Deferred taxes	2,976	2,876
Total long term capital	20,411	22,261
Short Term capital		
I. Inventories	536	360
II. Receivables and other assets		
1. Trade receivables	4,665	6,084
2. Receivables from associates companies	0	6
3. Other assets	2,496	2,678
4. Tax refund claims	330	351
III. Prepared expenses	105	371
IV. Securities	16,238	15,162
V. Cash and cash equivalents	3,151	2,188
Total short term capital	27,521	27,200
Total assets	47,932	49,461

Facts and Figures – Consolidated balance sheet as of Sept 30, 2006 and Dec 31, 2005 (IFRS)

Liabilities and Equity	31.12.2005	30.09.2006
	KEUR	KEUR
Equity		
I. Subscribed capital	13,720	13,720
II. Capital reserves	38,886	39,002
III. Other reserves	1	0
IV. Equity capital difference from currency conversion	8	-22
V. Validation reserve for financial instruments	4	-45
VI. Reserve for pensions	-139	-139
VII. Loss carry-forward	-11,632	-11,370
VIII. Annual net profit / loss	262	557
Equity capital attributable to stockholders of the parent company	41,110	41,703
Minority interest	190	214
Total equity	41,300	41,917
Long term liabilities		
I. Pension provisions	590	601
II. Other provisions	475	1,151
Total long term liabilities	1,065	1,752
Short-term liabilities		
I. Tax provisions	1	14
II. Bank loans	0	162
III. Received payments for orders	522	829
IV. Trade accounts payable	2,142	2,086
V. Liabilities with associated companies	18	21
VI. Other liabilities	2,865	2,053
VII. Deferred income	19	627
Total short term liabilities	5,567	5,792
Total liabilities and Equity	47,932	49,461

Facts and Figures - Group Profit and Loss Account as of Sept 30, 2006 and Sept 30, 2005 (IFRS)

	01.07.2005 30.09.2005	01.07.2006 30.09.2006	01.01.2005 30.09.2005	01.01.2006 30.09.2006
	KEUR	KEUR	KEUR	KEUR
1. Revenue	5,230	6,069	15,102	17,110
2. Increase/decrease in finished goods and work in progress	-46	-10	-431	-54
3. Own work capitalized	970	945	2,632	2,623
4. Other operating income	29	633	770	1,008
5. Cost of materials				
a) cost of raw materials, consumables and goods for resale	1,217	607	3,112	2,637
b) Cost for purchased services	457	583	1,104	978
6. Personnel costs				
a) Wages and salaries	2,307	3,257	6,956	8,447
b) Social costs	428	570	1,309	1,551
7. Depreciation and amortization of fixed intangible and tangible assets	871	893	2,620	2,645
8. Other operating expenses	1,021	1,653	3,141	4,151
9. Other taxes	4	2	9	8
10. Expenses from associated companies	0	0	0	0
11. Other interest and similar income	144	108	432	477
12. Revenue from associated companies	0	0	0	0
13. Write-offs of financial assets	0	0	6	0
14. Interest payable and other similar charges	7	8	24	11
Profit before tax	15	172	224	736
15. Income taxes	-139	-41	-300	-144
Profit after tax	-124	131	-76	592
account for				
stockholders to the parent company	-124	131	-76	592
minority interest	46	-17	97	-35
Annual net profit (+) / loss (-)	-78	114	21	557
Earnings per share				
Weighted average of issued shares (in thousands)	13,720	13,720	13,720	13,720
Result per share in EUR (diluted and undiluted)	-0.01	0.01	-0.01	0.04

Facts and Figures Consolidated

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

	IFRS 01.01.2005 - 30.09.2005	IFRS 01.01.2006 - 30.09.2006
	KEUR	KEUR
1. Cash flow from operating activities		
Results of the year before deduction of profit payable to other shareholders, income taxes, interest and finance income/expenditure	-177	736
Depreciation and amortization	2,620	2,646
Other expenses/income with no impact on cash	83	24
Profit / loss from disposal of long-term capital	0	0
Profit / loss disposal of securities	-100	2
Increase / decrease in inventories	377	176
Increase / decrease in trade receivables and other assets that cannot be allocated to investing or financial activities	1,181	-985
Changes in provisions	-2	496
Increase / decrease in trade receivables and other liabilities that cannot be allocated to investing or financial activities	-617	-1,793
Interest paid	-54	-11
interest payment received	358	208
Income taxes paid	-99	-136
income taxes received	230	155
	3,800	1,518
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 assets	-2,766	-3,093
Cash paid for investments in financial assets	-83	-1,308
Cash paid for investments in associated companies	1,746	0
Cash received disposal of securities	12,671	2,253
Cash paid for investments in securities	-13,696	-1,361
	-2,128	-3,509
3. Cash flow from financing activities		
Aquisition of treasury shares	-31	0
Short term bank liability		162
Inflows from minority shareholders as part of capital increase	0	0
	-31	162
4. Cash and cash equivalents at end of period		
Cash relevant changes in cash and cash equivalents (sum of 1 + 2 + 3)	1,641	-1,829
Change in currency translation adjustment	0	-30
Change of cash and cash equivalents according to scope of consolidation	79	735
Cash and cash equivalents at beginning of fiscal year	2,772	3,151
	4,492	2,027
5. Composition of cash and cash equivalents		
cash on hands	4,620	2,188
Bank liabilities due on demand	-128	-161
	4,492	2,027

Facts and Figures – Development of Group Equity of Sept 30, 2006 and Sept 30, 2005 (IFRS)

	Subscribed capital	Capital reserve	Other provisions	Equity difference from currency conversion	Reserve for financial instruments	Reserve for pensions	loss carry forward	Consolidated deficit / profit	Equity capital attributable to stockholders of the parent company	Minority interest	Sum equity	Authorized capital
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Consolidated equity as of 31.12.2005 according to IFRS	13,720	38,898	1	3	75	-41	-11,162	-473	41,025	440	41,465	1,718
Transfer of 2004 consolidated loss to consolidate loss carry-forward							-473	473	0		0	5,142
Equity difference from currency conversion with Nexus Medizinsoftware und Systeme AG				1								
Stock-based payment												
Change in shares of third parties									0	-97	-97	
Valuation of employee benefits IAS 19												
Valuation of financial instruments at Fair Value					8				8		8	
Valuation of employee benefits IAS 19		-44							-44		-44	
Consolidated profit 30.09.2005								21	21		21	
Consolidated equity as of 30.09.2005	13,720	38,854	1	4	83	-41	-11,635	21	41,010	343	41,353	6,860
Consolidated equity as of 31.12.2005 according to IFRS	13,720	38,886	1	8	4	-139	-11,632	262	41,110	190	41,300	6,860
Transfer of 2005 consolidated profit to consolidate loss carry-forward							262	-262				
Equity difference from currency conversion with Nexus Medizinsoftware und Systeme AG			-1	-30					-31			
Valuation of employee benefits IAS 19		116							116		0	
Valuation of financial instruments at Fair Value					-49				-49			
Consolidated profit 30.09.2006								557	557	24	24	
Consolidated equity as of 30.09.2006	13,720	39,002	0	-22	-45	-139	-11,370	557	41,703	214	41,917	6,860

nexus/ag

e-health solutions

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