DocCheck® AG

Report for the 1st Quarter 2006

1 Overview

Quick Figures

- 21 per cent increase in sales compared to the same quarter in the previous year
- Earnings before interest and tax increased by 8,000 euro to 328,000 euro
- EBIT margin 10.5 per cent
- Increase of 188 per cent in result from ordinary business activities, taking it to 456,000 euro
- 5 cent profit per share
- 16.6 million liquid assets = 2.86 euro per share
- Forecast for 2006: + 10 per cent sales
- Forecast for the profit/share: 14 - 15 cent

Highlights

- Marked increase in sales for the Communication Division (antwerpes & partner) as a result of successful competitive presentations
- The DocCheck Division achieves break-even results

Orders on hand

The unconfirmed orders are positively good. Orders on hand currently total 2.2 million euro as at 31/03/2006.

Important events after the close of the quarter

DocCheck Medizinbedarf & Logistik GmbH, Weil im Schönbuch, a subsidiary of DocCheck AG, has on 27/04/2006 increased its share in Albert Geisselmann Medizinbedarf GmbH, Eilenburg, from 33.3 per cent to 84.6 per cent with financial effect from 01/07/2006. The purchase price for the acquisition of the shares was paid in cash. It was agreed that the amount paid would be kept secret.
In future, Albert Geisselmann GmbH, Eilenburg, shall be developed as the Eastern location for the trading and logistics activities of DocCheck.

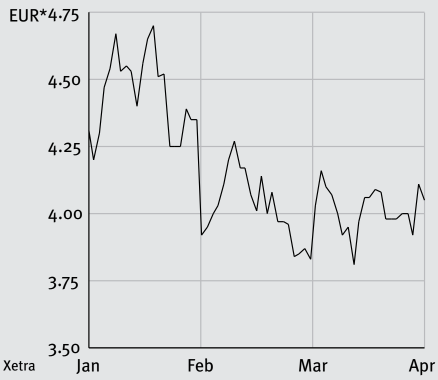
Company in brief

DocCheck AG has specialised in the growth market that is healthcare. The agency, portal and trading business is managed under the two brands DocCheck and antwerpes & partner. In 2005 the corporate group, with about 120 employees in Cologne, Basle and Stuttgart, generated sales totalling 11.2 million euro. DocCheck AG is listed in the Prime Standard (ISIN: DE0005471007// Symbol: 547100).

Indicators (position as at 15/05/2006)

Quarterly comparison	01/03/2006-31/03/2006	01/03/2005-31/03/2005	Veränderung
	€	€	%
Sales	3,141,387	2,606,149	21
of which Communication sales	1,758,897	1,144,578	54
of which DocCheck, Commerce & Logistic	1,381,914	1,461,572	-5
Overall performance	3,192,654	2,636,119	+21
EBITDA	430,413	105,548	› 100
EBIT	328,317	7,539	› 100
Consolidated annual net income	286,151	108,794*	›100
Annual net income per share	0.05	0.02	›100
Liquid assets/securities	16,585,928	16,098,306	3
Number of employees as at 31/03/2006	86	76	13

3 months' shares chart



* Closing prices according to Xetra

Fakten zur Aktie

ISIN:	DE0005471007	Segment:	Prime Standart
Reuters:	ANWG.G	Sector:	Software
Bloomberg:	AJ9	Price (31/03/):	4.05 EUR
Internet:	www.doccheck.de	Tech-AS:	755.79
Market capitalisation as at 31/03/2006:		23.91 Mio. EUR	
High/Low 1st Quarter:		4.81 EUR/3.53 EUR	
Number of shares:		5.90 Mio.	

Shareholder structure

Shareholders:	Freefloat	31.21 %
	Dr. Frank Antwerpes	47.53 %
	Jan Antwerpes	13.94 %
	Dr. Johannes Kersten	7.32 %

Financial Calendar

31 May 2006	Annual General Meeting in Cologne
Mid-August 2006	Report for the second quarter
Mid-November 2006	Report for the third quarter
21 - 23 November 2005	Analysts' Conference in Frankfurt / Main

2 Management Report

Communication (antwerpes & partner) Division

antwerpes & partner develops and implements creative communications services on the basis of new and classical media. In the first quarter the agency business with antwerpes & partner recorded a marked increase in sales of 54 per cent, taking them from 1.1 million euro to 1.8 million euro. The divisional result increased by 184 per cent, taking it from 106,000 euro to 301,000 euro.

DocCheck Division

With over 400,000 registered participants, DocCheck is the largest and fastest growing business-to-business portal for medical specialist groups in Europe. Over 400,000 medical professionals have already registered since the launch in 1996. The password system is used by more than 1,100 websites of market-leading pharmaceutical companies in Germany for access control. On-line market research, e-marketing and Customer Relationship Management (CRM) are the focus of interest for the DocCheck business model. In addition, the affiliated DocCheck Shop offers all users an e-commerce platform for on-line purchasing of more than 15,000 medical supplies.

This Division achieved sales of 1.4 million euro, 5 per cent below the previous year's level, as, in comparison with the previous year, a major annual repeat order in the retail business will not be recorded under sales until the second quarter. On the other hand, the result for the DocCheck Division, which recorded a negative figure in the previous year of 82,000 euro, turned out to be slightly positive in the first quarter of this year with a recorded figure of 25,000 euro.

3 Balance Sheet

Group Balance Sheet in accordance with IFRS

Assets	01/01/2006-31/03/2006	01/01/2005-31/12/2005
	€	€
Short-term assets		
Liquid funds	1,808,038	2,230,712
Current-asset securities	14,777,890	14,868,800
Trade debtors	1,842,890	1,403,455
Amounts owed by group undertakings	41,219	41,528
Stocks	573,139	405,986
Prepaid expenses and deferred charges	88,293	24,114
Total short-term assets	**19,131,469**	**18,974,595**
Tangible fixed assets	1,252,416	1,219,433
Intangible fixed assets	111,261	92,144
Participating interests	70,694	70,694
Goodwill	697,617	697,617
Other assets	776,032	581,267
Deferred taxes	12,700	3,300
Total assets	**22,052,190**	**21,639,050**

Equity and liabilities	01/01/2006-31/03/2006	01/01/2005-31/12/2005
	€	€
Short-term liabilities		
Short-term loans and short-term share in long-term loans	0	4,022
Trade creditors	366,441	410,656
Payments received on account	1,089,824	1,070,170
Other provisions for liabilities and charges	590,495	523,598
Tax provisions	170,993	66,273
Deferred income and other short-term liabilities	643,745	626,912
Amounts owed to group undertakings	18,654	12,462
Total short-term liabilities	**2,880,153**	**2,714,093**
Deferred taxes	97,000	101,600
Capital and reserves		
Subscribed capital	5,904,312	5,904,312
Capital reserve	13,328,524	13,328,524
Net earnings/net loss	3,165,010	2,878,859
Revenue reserves	71,700	71,700
Capital adjustment items	-3,245,570	-3,245,570
Special revaluation reserve	-14,217	32,509
Own shares	-411,449	-411,449
Minority shareholdings	276,726	264,472
Total capital and reserves	**19,075,037**	**18,823,357**
Total equity and liabilities	**22,052,190**	**21,639,050**

The quarterly financial statement as at 31/03/2006 has been prepared on the basis of the International Financial Reporting Standards („IFRS“) of the International Accounting Standards Board („IASB“), London, which were in force on the cut-off date, as well as on the basis of the interpretations of the International Financial Reporting Interpretations Committee („IFRIC“) of the IASB, London.

The accounting and evaluation methods from the annual financial statements as at 31/12/2005 were used with no changes made. The previous year's values were adjusted accordingly.

1. During the 1st quarter of 2006, liquid funds were invested for the most part as time deposits with variable terms.

2. As at 31/03/2006, the current-asset security holdings consist of two mortgage bonds and two loans against promissory notes. According to IAS 39, securities falling within the category „available for sale“ are to be evaluated at fair value (market price). The fair value changes are first of all recorded in the capital and reserves in a special revaluation reserve with no effect on the operating result until that point in time when the securities are taken out of the accounts.

3. With the exception of DocCheck TV GmbH, whose shares were offset in accordance with the acquisition method pursuant to IFRS 3, the shares in the fully consolidated subsidiaries were offset, pro rata to their holding in accordance with the book value method, against the capital of the companies at the time of the initial consolidation. This resulted in the following goodwill:

Company	Goodwill from the initial consolidation	Book value as at 31/03/2006	Book value as at 31/03/2005
	€	€	€
DocCheck Medical Services GmbH	29,340	17,238	17,238
medicalpicture GmbH	92,452	81,666	81,666
DocCheck Medizinbedarf und Logistik GmbH	755,956	401,991	401,991
medizinstudent.de GmbH	181,609	50,523	50,523
DocCheck TV GmbH	154,572	146,200	140,572
	1,213,929	697,618	691,990

4. Other assets are largely made up of deferred interest and taxes.
5. In other provisions, transfers essentially took place within provisions for holidays, bonuses and shares in profits. In addition, provisions were made for end-of-year accounting and audit costs. As they stand now, these provisions ensure that there is a realistic deferment of expenditure for the current financial year.
6. Other liabilities are mainly made up of tax liabilities (sales tax, income tax and church tax), contributions relating to salaries and wages and doctors' fees which are still to be paid.
7. The adjusting item concerns own shares as held by DocCheck AG. The holdings of own shares as at 31/03/2006 consist of 100,000 individual share certificates and account for a total of 100,000 euro of the capital stock. The market price as at 31/03/2006 was 405,000 euro. In accordance with IAS 32.33, own shares are to be shown in the balance sheet at cost and as a deduction from equity capital.
8. The special revaluation reserve amounting to -14,000 euro contains the fair value changes from the current-asset securities netted out by the deferred taxes apportionable to them.

4 Group Profit and Loss Account

Group Profit and Loss Account in accordance with IFRS		01/01/2006 - 31/03/2006	01/01/2005 - 31/03/2005
1.	Sales (net)	3,141,387	2,606,149
2.	Other operating income	29,585	36,367
3.	Differences between opening and closing stocks of finished and unfinished goods	51,267	29,969
4.	Cost of materials		
	a) Cost of raw materials and supplies and goods purchased for resale	740,775	853,450
	b) Cost of external services	428,689	258,772
		1,169,464	**1,112,222**
5.	Staff costs		
	a) Wages and salaries	942,201	798,411
	b) Social security contributions	151,052	136,253
		1,093,252	**934,665**
6.	Amortisation of intangible fixed assets and depreciation of tangible fixed assets	102,097	98,008
7.	Other operating expenses	529,110	520,051
8.	**Operating result (EBIT)**	**328,317**	**7,539**
	for information: EBITDA	430,413	105,548
9.	Interest and similar income	142,939	166,745
10.	Write-downs on long-term investments and current-asset securities	13,162	13,774
11.	Interest and similar expenses	1,729	1,958
12.	**Result before tax (and minority shareholdings)**	**456,364**	**158,552**
13.	Personal income tax and tax on earnings	157,994	55,444*
14.	Other taxes	-35	179
15.	**Result before minority shareholdings**	**298,405**	**102,928**
16.	Minority shareholdings	12,254	-5,866
17.	**Consolidated annual net income**	**286,151**	**108,794**
	Net earnings per share in accordance with IAS 33 (undiluted)	0.05	0.02
	Net earnings per share in accordance with IAS 33 (diluted)	0.05	0.02
	Average shares currently in circulation (undiluted)	5,802,314	5,904,312
	Average shares currently in circulation (diluted)	5,812,314	5,904,312

*retrospective adjustment in accordance with IAS 12.61 in conjunction with IAS 8.41 and following

1. Net sales are showing an increase of 21 per cent to 3,141,000 euro when compared to the first three months of the previous year (previous year: 2,606,000 euro). Receivables from uninvoiced sales amounted to 325,000 euro (previous year: 277,000 euro). In addition, according to IAS 11 in conjunction with IAS 18, turnover includes order projects estimated as being 437,000 euro (previous year: 106,000 euro) in accordance with the Percentage of Completion Method.
2. Other operating income is mainly made up of rent income and income from the release of provisions.
3. The marked increase in employees when compared to the same period in the previous year is causing the increase in staff costs.
4. Depreciation contains additional value reductions for tangible fixed assets within the framework of expansion and reconstruction work for DocCheck AG which total 13,000 euro. In the same period for the previous year write-downs on goodwill were included which totalled 14,000 euro.
5. Personal income tax and tax on earnings for the previous year's period were, in accordance with IAS 12.61 in conjunction with IAS 34.43 and IAS 8.41 and following, adjusted by 5,000 euro, taking the figure to 55,000 euro.
6. The profit per share for the first three months of 2006 was, in accordance with IAS 33, 5 cent (previous year: 2 cent).

5 Statement of sources and application of funds

	Statement of sources and application of funds (in euro)	01/01/2006 - 31/03/2006	01/01/2005 - 31/03/2005	
		€	€	
	Surplus for the period before extraordinary profit	**286,151**	**108,794**	*
	of which funds received from interest	142,939	166,745	
	of which funds paid as interest	1,729	1,958	
+	Amortisation of intangible fixed assets and depreciation of tangible fixed assets	102,097	98,008	
+	Loss from the addition and disposal of fixed assets	2,703	0	
+/-	Increase/decrease in provisions	171,618	-110,850	
-/+	Increase/decrease in trade debtors	-439,126	-501,431	
-/+	Increase/decrease in other assets	-194,765	-234,816	
-/+	Increase/decrease in stocks	-167,153	-75,839	
-/+	Increase/decrease in prepaid expenses and deferred charges	-64,178	-2,789	
+/-	Increase/decrease in deferred income	138,067	98,052	
-/+	Increase/decrease in deferred taxes reported as assets	-9,400	2,570	
-/+	Reduction/increase in deferred taxes reported as liabilities	-4,600	2,800	
+/-	Increase/decrease in trade creditors and other liabilities	-127,348	358,320	
Cash flow from current business activities		**-305,936**	**-257,180**	
+/-	Proceeds/outgoings for disinvestments/investments in tangible fixed assets, intangible fixed assets, participating interests and goodwill	-156,900	-60,389	
Cash flow from investment activities		**-156,900**	**-60,389**	
-	Repayment of loans	-4,022	-1,290	
-	Payment to shareholders ensuing from capital reduction	0	-14,780,760	
Cash flow from financing activities		**-4,022**	**-14,782,050**	
Change in funds to hand which affects payment		**-466,858**	**-15,099,619**	
+	Change in funds to hand due to evaluation (special revaluation reserve)	-46,726	-7,316	*
+ Funds at the start of the period		**17,099,512**	**31,205,241**	
Funds at the end of the period		**16,585,928**	**16,098,306**	
-	Cash and cash equivalent	1,808,038	854,366	
-	Securities	14,777,890	15,243,940	

* Previous year's figures adjusted by 5,000 euro in accordance with IAS 12.61 in conjunction with IAS 8.41 and following

1. The change in cash flow from financing activities when compared to the same period in the previous year ensues from the special dividend paid in the first quarter of 2005 within the framework of the capital reduction
2. As a result of the adjustment of personal income tax and tax on earnings from the previous year's period in accordance with IAS 12.61 in conjunction with IAS 8.41 and following, adjustments of - 5,000 euro were made to the previous year's net income for the period, taking it down from 114,000 euro to 109,000 euro and an adjustment to the funds to hand for the previous year was made due to evaluation (special revaluation reserve) whereby these dropped by -5,000 euro, going down from -12,000 euro to -7,000 euro.
3. The change in cash flow from investment activities when compared to the same period in the previous year is mainly due to investments made in factory and office equipment as well as in hardware during the first three months of 2006.
4. Funds to hand as at 31/03/2006 contain borrowed money totalling 28,000 euro (previous year: 85,000 euro). These are outstanding doctors' fees which DocCheck AG cannot dispose of in any other way.
5. The liquid assets and current-asset securities totalled 16.6 million euro as at 31/03/2006 (previous year: 16.1 million euro).

6 Divisional Reporting as at 31/03/2006

	Communication	DocCheck, Commerce & Logistic	Holding	Total
	EUR	EUR	EUR	EUR
Net sales for the divisions	1,758,897	1,381,914	576	3,141,387
Intra-group sales	20,312	135,248	653,821	809,381
EBIT	301,228	24,691	2,398	328,317
Result before taxes on earnings	301,108	27,670	127,586	456,364
Total assets	1,867,014	2,614,258	17,570,918	22,052,190
Total liabilities	1,399,641	429,914	128,920	1,958,474
Depreciation of tangible fixed assets	5,283	13,624	83,189	102,097
Investments in tangible and intangible fixed assets	8,175	35,763	91,678	135,616
Employees	41	34	11	86

Total assets include the fixed assets, the current assets and the prepaid expenses and deferred charges.
The Communication division comprises antwerpes & partner ag, Cologne, with its business premises in Basle, Switzerland. DocCheck GmbH, DocCheck Medizinbedarf und Logistik GmbH, medicalpicture GmbH, medizinstudent.de GmbH and DocCheck TV GmbH together form the division, DocCheck, Commerce & Logistic. The segment, Holding, incorporates the whole of the administrative and service Division of DocCheck AG. Since the activities of these companies are currently located in the same area, a geographical segmentation was waived. Supplies and services within the combined group were valued at purchase price plus a mark-up and cost sharing within the Group was valued at purchase price plus interest.

7 Statement of Changes in Equity Capital

Statement of Equity Capital in accordance with IAS 1 Subsections 96-101

	Subscribed capital	Capital reserve	Statutory reserve	Reserve in accordance with the company's Articles of Association	Other revenue reserves	Special revaluation reserve	Net earnings	Capital adjustment items	Own shares	Minority share-holdings	Total
	€	€	€	€	€	€	€	€	€	€	€
Balance as at 31/12/2004	5,904,312	13,331,816	39,253	0	32,448	88,567	2,705,703	-3,245,570	0	229,645	19,086,174
Revaluation of securities						-7,315*					-7,315
Annual net income as at 31/03/2005							108,794*			-5,866	102,928
Balance as at 31/03/2005	5,904,312	13,331,816	39,253	0	32,448	81,252	2,755,699	-3,245,570	0	223,778	19,181,788
Balance as at 31/12/2005	5,904,312	13,328,523	39,253	0	32,448	32,509	2,878,858	-3,245,570	-411,449	264,473	18,823,358
Revaluation of securities						-46,726					-46,726
Annual net income as at 31/03/2006					0		286,152			12,254	298,405
Balance as at 31/03/2006	5,904,312	13,328,523	39,253	0	32,448	-14,217	3,165,010	-3,245,570	-411,449	276,726	19,075,037

* Retrospective adjustment in accordance with IAS 12/61 in conjunction with IAS 8/41 and following

DocCheck AG

8 Shareholder structure

The shareholder structure of DocCheck AG consists of the following as at quarter end:

	Share	Number
	%	€
Dr, Frank Antwerpes, CEO*	47.53	2,806,438
Jan Antwerpes, CFO*	13.94	823,057
Dr. Johannes Kersten, Supervisory Board member of antwerpes & partner ag	7.32	432,031
Freefloat	**31.21**	**1,842,786**
Hermann Korte, Supervisory Board member antwerpes & partner ag	0.95	56,038
Roland Ortloff, Managing Director of DocCheck Medizinbedarf und Logistik GmbH	0.75	44,312
Michael Thiess, Chairman of the Supervisory Board	0.07	4,060
Dr. Joachim Pietzko, Supervisory Board member	0.01	866
Winfried Leimeister, Supervisory Board member	0.00	0
Helmut Rieger, e-commerce Board of Directors	0.00	0
DockCheck AG	1.69	100,000

*Half of the shares of the family were allocated to Messrs, Antwerpes, In addition, the shares of Dr, Frank Antwerpes' wife were included,

9 Stock Options

In accordance with the resolution passed at the Annual General Meeting on 16/05/2001, the company grants, by means of an options contract, subscription rights to certain employees regarding the acquisition of DocCheck AG shares. According to the grade and position of the employee, the company offers contracts to certain employees which cover the granting of share options (options contract). As at 31 March 2006, 40,250 stock options had been issued (previous year: 57,750). The reduction in the stock options portfolio is because some employees who were entitled to subscribe left the company. Exercising a subscription right depends on whether at the time the following performance goals were met:

- The market price of the DocCheck AG share has performed better than the Nemax All Share Index (now Technology All Share Index)
- The current market price of the share must be higher than the comparative market price and the comparative market price of the share is,
- for subscription rights granted up to five days before the initial public offering, the initial public offering price as determined in the book-building process for the DocCheck AG share for the purposes of the initial public offering
- for one or two subscription rights granted during an acquisition period, the average of the Xetra closing prices for the 20 trading days before the first day of the respective acquisition period.
- The employee has an employment contract with a DocCheck AG company and notice to terminate this has not been served, nor has it been terminated in some other way

Exercising the options granted is only permissible at any time during the following periods:

- On the respective fourth and the 19 subsequent bank working days following a DocCheck AG Ordinary Annual General Meeting.
- On the respective fourth and the 19 subsequent bank working days following the publication of the DocCheck AG quarterly report covering the 3rd quarter of a financial year.

Issued stock options balance as at 31/03/2006	
Issued stock options balance as at 31/12/2005	42,000
Options granted in the first quarter of 2006	0
Options exercised in the first quarter of 2006	0
Options which have lapsed in the first quarter of 2006	1,750
Issued stock options balance as at 31/03/2006	40,250
The first tranche (Issue: April 2000, issue price: 18.50 € term: 7 years)	27,500
of which to management exercisable on 31/03/2006	22,000
of which to employees exercisable on 31/03/2006	5,500
The second tranche (Issue: December 2000, issue price: 15.46 € term: 7 years)	2,750
of which to employees exercisable on 31/03/2006	2,750
The third tranche (Issue: May 2002, issue price: 2.66 € term: 7 years)	10,000
of which to management	10,000
of which with a waiting period up until the first implementation on 31/05/2006	1,500
of which with a waiting period up until the first implementation on 31/05/2007	1,500
of which exercisable on 31/03/2006	7,000

Investor Relations

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