

Q1

3-Month-Report 2007

- Sales increase to Euro 8.1 million (+21%)
- Profitable business: EBIT Euro 0.1 million
- Orders at a high level: Euro 21.5 million (+26%)
- Positive outlook for year as a whole

Key figures

	Q1 2007	Q1 2006	Change in %
Sales (kEuro)	8,117	6,729	+21
EBIT (kEuro)	82	-109	-/-
EBT (kEuro)	151	-70	-/-
Result for the accounting period (kEuro)	96	-31	-/-
Result for the accounting period per share (Euro)	0.01	0.00	-/-
Cash flow from current business activities (kEuro)	-2,153	-4,033	-/-
Investments (as at 31 March, kEuro)	269	216	+25
Volume of orders (million Euro)	21.5	17.1	+26
Employees (as at 31 March)	227	218	+4

	31.03.2007	31.12.2006	Change in %
Liquid assets (kEuro)	6,015	8,430	-29
Equity (kEuro)	19,123	19,024	+1
Equity ratio (%)	76%	67%	+9%-Points
Loans (kEuro)	0.00	0.00	-/-

The secunet Share

Reuters	Bloomberg	WKN	ISIN
YSNG.DE	YSN	727650	DE0007276503

	30.03.2007	31.03.2006
Price (Euro)	6.98	12.35
No. of shares	6,500,000	6,500,000
Market capitalization (Euro)	45,370,000	80,275,000
High/low 52W (Euro)	H: 13.01/T: 6.17	H: 16.22/T: 6.41

	Q1 2007	Q1 2006
Daily volume traded Xetra, average	2,853	5,367

Financial Calendar 2007

3 May

3-month results

24 May

Annual General Meeting

2 August

6-month results

8 November

9-month results

We are more

secunet Security Networks AG is one of the leading IT security specialists in Germany and Europe. We provide companies, public authorities and international organizations with solutions for IT security questions. This means our customers can use the full potential of their IT infrastructure in ways that are secure and reliable.

We do not see IT security as being an isolated system, but consider our work to be an integrated part within an overall process. In other words we look beyond the limits of the question actually asked and also concern ourselves with topics such as work flow, economic efficiency and process optimization. Our work is characterized by pragmatic approaches to finding solutions – as individual as necessary and using so much standard technology as possible.

Our particular strength lies in the area of high security. This is why public-sector institutions in Germany number among the most important customers of secunet. We keep IP communication within and between public authorities secure at the very highest level. We also draw on this extensive experience in the services we provide other large organizations in Germany and abroad.

We use our strong competitive position to achieve further growth – both by increasing our share of the German core market and increasing our share of international markets.

We are more than just security.

Presentation of the high security segment

Confidential data subject to varying degrees of secrecy may not be allowed to fall into the wrong hands and must at the same time be accessible to those who need it. Developed in association with BSI, our SINA high security architecture protects digital networks from attacks and failures.



A success of the high security segment in the 1st quarter of 2007:

secunet equips the sTESTA European network with SINA (press report of 6 March 2007): As part of the process of developing a European administrative network – sTESTA (secured Trans-European Services for Telematics between Administrations) – secunet Security Networks AG will provide the security components of the network infrastructure with the tried and tested SINA maximum security technology. (more at: www.secunet.com)

Read a presentation of the 'Government' segment here in the 2nd quarterly report.

Dear shareholders, customers, employees and friends of secunet,

secunet returned to the growth path it had followed in 2005 in the first quarter of 2007. This first quarter was the most successful to date in the history of secunet. The reason for this is to be found in the good utilisation of capacities following the increased sales activities in 2006. The return to normal demand on the part of service providers in the public sector is also clearly making its mark.

By implementing the reorganization of secunet in the first quarter of 2007, we have created the basis for further sustained growth. The experience of 2006, when we were made painfully aware of the strong dependency on demand from public-sector customers, has resulted in our activities placing greater emphasis on the needs of customers in the private sector again. To enable us to be an even more attractive partner for our industrial customers, we have concentrated these activities in the 'Private Sector' division. In organizational terms we have concentrated our existing specialization on providing support services for car manufacturers and component suppliers in the 'Automotive' business unit. All further activities linked to IT security for customers from the private sector are now grouped together in the new 'Business Security' business unit. By increasing our focus on the private sector and expanding our capacities in this sector and entering into strategic partnerships with other companies in our industry, we intended to broaden our customer base in Germany and sales potential.

We have concentrated our business with our principal customers so far, service providers in the public sector, in the 'Public Sector' division. The related 'High Security' segment addresses IT high security needs; this includes, in particular, continued development of our SINA high security architecture. Staff from the 'Government' business unit advise public-sector customers (including international organizations) in both Germany and abroad on all questions relating to IT and process security.

This new corporate structure promises to give us more differentiated and targeted access to our customers and enable us to respond to their needs in an optimum way.

The changeover to this new organizational structure initially placed demand on capacities – as does every change. Hence the operating result was not quite up to the level of sales in the first quarter. This one-off situation resulting from the changeover will no longer have any further influence as of the next quarter.

The re-organization of secunet had a very positive effect on the distribution activities in the first quarter. We received large numbers of orders in nearly all the classic secunet business segments. At the same time, our foreign business activities were also successful – equipping the sTESTA European administrative network with high security components from the SINA family is one good example worth mentioning. With an order volume of Euro 21.5 million, our position at the end of the first quarter is significantly better than that of the previous year (Euro 17.1 million, +26%) and in 2005 (Euro 14.7 million, +46%).

The need for investments in IT security remains great, both in the case of public-sector customers as well as in the private sector. This fact, along with the volume of sales and orders already achieved in 2007, has given us reason enough to feel confident that this positive trend will continue throughout the year.

Therefore we are optimistic that we will be able to follow up the good results we had in 2005.

Sincerely,

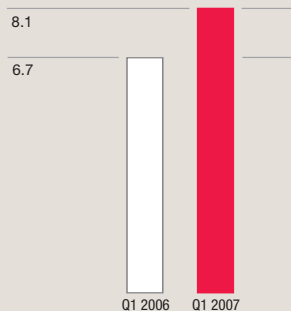


Dr. Rainer Baumgart
CEO

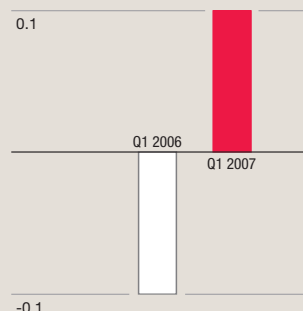


Dr. Rainer Baumgart

Sales in million Euro



EBIT in million Euro



Interim report for Q1, 2007

Sales development

In the first quarter of fiscal year 2007, the secunet Group generated sales of about Euro 8.1 million. Compared with the first quarter of the previous year, in which sales of some Euro 6.7 million were generated, this is an increase of 21%.

This positive development is, on the one hand, attributable to the fact that the first quarter of the previous year was relatively weak due to the absence of demand by the public sector. However, at the same time sales were also substantially up (plus 8%) in comparison with the first quarter of 2005, in which this special effect was absent. In other words, there has been clear organic growth.

Development of earnings

On the cost side, secunet is continuing to adhere to clear budget targets. The main cost drivers have increased moderately in comparison with the previous year. Material costs have, due to the increasing demand for SINA components, increased by just under 13%. The increase in personnel costs (+9%) is primarily due to an increase in the number of employees. Depreciation and amortization have increased by just under 9%; other operating expenditure rose by the same percentage.

The clear increase in sales has not entirely been reflected in a corresponding result due to increased expenditure. EBIT was again positive (Euro 0.1 million) after Euro -0.1 million the previous year. A positive financial result produced a pre-tax result of Euro 0.2 million. After taxes have been deducted, the net income for the first quarter was Euro 0.1 following a loss of Euro -0.03 million in the first quarter the previous year. As a result, earnings per share were Euro 0.01 in comparison with Euro 0.00 in the same period in 2006.

Net assets and financial position

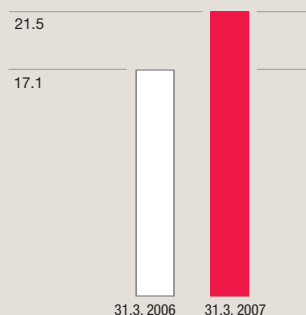
The secunet Group balance sheet as of 31 March 2007 shows a clear drop in liquid assets compared with year end 2006: from Euro 8.4 million as at 31 December 2006 to Euro 6.0 million as at 31 March 2007. At the same time, other provisions were reduced from Euro 2.7 million to Euro 1.5 million. This is mainly due to the payment of variable salary components for the 2006 fiscal year. Liquid assets fell in line with the reversal of the corresponding deferred expenses. Changes in short-term current assets have also impacted liquid assets. The volume of trade accounts payable dropped by Euro 1.8 million; accounts receivable fell from Euro 11.1 million as at 31 December 2006 to Euro 10.4 million as at 31 March 2007.

The improved earnings performance has also impacted the cash flow. The Q1 result that is slightly positive was, however, largely offset by the disbursement of bonuses and the drop in short-term liabilities, so that there was a negative cash flow for the first quarter of Euro -2.2 million. The cash flow was Euro 4.0 million the previous year.

Investments

Approximately Euro 0.3 million was invested in new and replacement hardware, software licenses and other equipment in the first quarter of 2007. In comparison with the figure for the previous year (Euro 0.2 million), this constitutes an increase of 25%. This increase is essentially due to adapting the technical infrastructure of the company to the new organization.

Orders on hand in million Euro



Employees

The number of employees of the secunet Group at the end of the quarter was 227; i.e. 9 or 4% more employees than at the end of the same quarter the preceding year. The number of employees fell by one in comparison with the number as at 31 December 2006. Hirings took place in the 2006 fiscal year and were concentrated in the productive areas of product management, sales, and also consulting and development.

Outlook

The market for high-quality and complex IT security remains very attractive. Public authorities, international organizations and corporations continue to have a strong need for IT high security. Increasing investments in these areas are favored by the present positive development in the economy as a whole. secunet is excellently positioned in this growth market.

The strong demand is reflected in secunet's order books: as at 31 March 2007 the company had orders to the value of approx. Euro 21.5 million. This is an increase of 26% compared with the end of the first quarter of 2006 and is 48% up on the level as at 31 December 2006.

The market and order situation leaves the secunet Security Networks AG board of management confident that the growth expectations for the 2007 fiscal year will be met.

Other information

No occurrences of significance took place after the audit date. Equally, there have been no changes in the major opportunities and risks described in the 2006 annual report since the 2006 fiscal year ended.

The members of the board of management were not promised or granted any benefits by a third party with regard to the work as a member of the board of management in the first quarter of 2007. The members of the supervisory board did not receive any remuneration or benefits for work and services provided personally, in particular advisory and intermediary services beyond the remuneration that is set in the articles of association of secunet Security Networks AG. Neither members of the board of management nor those of the supervisory board have been granted any loans by the company.

Notes

The consolidation principles and the currency translation method for the period from 1 January to 31 March 2007 are the same as in the consolidated annual financial statements for 2006 fiscal year. The accounting and valuation policies were also left unchanged. The initial application of IFRS 2 did not lead to any changes in the balance sheet presentation, because all options were issued before 7 November 2002.

The figures disclosed in the balance sheet, income statement, flow of funds statement and changes in shareholders' equity correspond to the normal course of business at secunet and do not include any exceptional items.

Future-related statements

This 3-Month Report contains statements forecasting the future development of secunet Security Networks AG as well as economic and political developments. These statements are to be understood as estimations that we have made in the basis of the information available to us at present. Should the underlying assumptions not occur or further risks arise, the actual results can deviate from those expected at present. Hence no guarantee can be given for this information.

Consolidated Balance Sheet of secunet Security Networks (IFRS)

Assets in Euro

	31 Mar 2007	31 Dec 2006
Short-term assets		
Means of payment and equivalent means	6,014,655.15	8,430,450.62
Securities in current assets	0.00	0.00
Accounts receivable	10,428,337.07	11,122,327.90
Due from affiliates	305,504.35	448,646.50
Inventories	631,147.27	534,587.25
Other short-term assets	451,489.61	189,335.24
Due from taxes on earnings	71,710.03	282,868.91
Total short-term assets	17,902,843.48	21,008,216.42
Long-term assets		
Fixed assets	1,442,674.58	1,393,064.91
Intangible assets	83,713.02	104,396.25
Goodwill	2,950,000.00	2,950,000.00
Financial assets	583,262.41	564,371.63
Deferred taxes	2,216,462.75	2,264,486.21
Total long-term assets	7,276,112.76	7,276,319.00
Total assets	25,178,956.24	28,284,535.42

Liabilities in Euro

	31 Mar 2007	31 Dec 2006
Short-term borrowed funds		
Short-term share of finance leasing obligations	54,265.36	64,194.59
Short-term loans and short-term share of long-term loans	61.74	6.82
Accounts payable	1,410,761.43	3,176,472.83
Due to affiliates	0.00	21,842.52
Other provisions	1,548,908.12	2,675,376.21
Other short-term liabilities	1,396,342.95	1,488,383.50
Prepaid and deferred items	137,276.26	371,025.61
Total short-term borrowed funds	4,547,615.86	7,797,302.08
Long-term borrowed funds		
Long-term finance leasing obligations	18,358.25	24,477.67
Deferred taxes	76,348.49	69,127.25
Provisions for pensions	1,414,111.70	1,369,370.00
Total long-term borrowed funds	1,508,818.44	1,462,974.92
Equity		
Subscribed capital	6,500,000.00	6,500,000.00
Capital reserves	21,922,005.80	21,922,005.80
Treasury stock	-108,974.77	-108,974.77
Accumulated deficit	-9,154,727.89	-9,250,615.49
Accumulated other comprehensive income/loss	-35,781.20	-38,157.12
Total equity	19,122,521.94	19,024,258.42
Total equity and liabilities	25,178,956.24	28,284,535.42

Consolidated Income Statement of secunet Security Networks (IFRS)

in Euro	1 Jan – 31 Mar 2007	1 Jan – 31 Mar 2006
Revenues	8,116,727.20	6,729,310.85
Other operating income	320,982.83	756,296.02
Cost of purchased materials and services	-1,853,510.05	-1,641,191.48
Personnel expenses	-4,395,015.56	-4,021,498.84
Depreciation of fixed assets (and intangible assets)	-221,241.78	-202,143.25
Other operating expenses	-1,886,417.45	-1,729,372.17
Operating income/loss	81,525.19	-108,598.87
Interest income and expenditure	65,407.55	34,198.88
Foreign currency exchange gains/losses	4,199.53	4,256.26
Result before income taxes and minority interest	151,132.27	-70,143.73
Income taxes	-55,244.67	38,811.84
Result before minority interest	95,887.60	-31,331.89
Net income/loss	95,887.60	-31,331.89
Earnings per share (basic)	0.01	0.00
Earnings per share (diluted)	0.01	0.00
Weighted average shares outstanding (basic)	6,468,062	6,450,507
Weighted average shares outstanding (diluted)	6,500,000	6,500,000

Consolidated Statement of Changes in Equity secunet Security Networks (IFRS)

in Euro	Subscribed capital	Capital reserves	Treasury stock	Net loss	Accumulated other comprehensive income/loss	Total
Change in own shareholdings			96,929.25			96,929.25
Exchange rate differences					-33,360.99	-33,360.99
Net profit Jan 01 – Dec 31, 2005				4,279,134.03		4,279,134.03
Equity as at Dec 31, 2005	6,500,000.00	21,922,005.80	-168,771.13	-11,426,459.38	-11,054.49	16,815,720.80
Change in own shareholdings			59,796.36			59,796.36
Exchange rate differences					-27,102.63	-27,102.63
Net profit Jan 01 – Dec 31, 2006				2,175,843.89		2,175,843.89
Equity as at Dec 31, 2006	6,500,000.00	21,922,005.80	-108,974.77	-9,250,615.49	-38,157.12	19,024,258.42
Change in own shareholdings			0.00			0.00
Exchange rate differences					2,375.92	2,375.92
Net profit Jan 01 – Dec 31, 2007				95,887.60		95,887.60
Equity as at Dec 31, 2007	6,500,000.00	21,922,005.80	-108,974.77	-9,154,727.89	-35,781.20	19,122,521.94

Consolidated Cash Flow Statement of secunet Security Networks (IFRS)

in Euro	1 Jan – 31 Mar 2007	1 Jan – 31 Mar 2006
Cash flow from operating activities		
Net surplus/deficit	95,887.60	-31,331.89
Adjustments for:		
Depreciation and amortization	221,241.78	202,143.25
Increase/decrease in provisions	-1,081,726.39	-3,464,074.63
Increase/decrease in deferred taxes	55,244.70	38,811.83
Interest income and expenses	65,407.55	34,198.88
Payment flows from taxes	0.00	-24,621.11
Profit/loss due to retirement of assets	0.00	0.00
Foreign exchange profits/losses	-4,199.53	-4,256.26
Other reportable events (not affecting payments)	0.00	0.00
Decrease (increase) in short-term receivables, inventories and other assets	624,169.92	-364,558.44
Decrease (increase) in short-term liabilities and other liabilities	-2,129,337.55	-419,131.64
Means of payment obtained from/ deployed in business activities	-2,153,311.92	-4,032,820.01
Cash flow from investment activities		
Acquisition of fixed assets	-269,059.00	-216,356.96
Proceeds from the sale of subsidiaries, less liquid assets transferred	0.00	0.00
Means of payment deployed in investment activities	-269,059.00	-216,356.96
Cash flow from financing activities		
Means of payment obtained from/ deployed in financing activities	0.00	0.00
Changes in means of payment and their equivalent due to exchange rate factors	6,575.45	25,230.06
Increase/ decrease in means of payment and their equivalents	-2,415,795.47	-4,223,946.91
Means of payment and their equivalents at the beginning of the period	8,430,450.62	12,845,872.17
Means of payment and their equivalents at the end of the period	6,014,655.15	8,621,925.26

Issued by

secunet Security Networks AG
Kronprinzenstraße 30
45128 Essen

Phone: +49 (0) 201 5454-0
Fax: +49 (0) 201 5454-123

E-Mail: info@secunet.com
Website: www.secunet.com

Concept and Design

IR-One AG & Co. KG · Hamburg · www.ir-1.com

This 3-Month-Report is also available in German. In the event of conflicts the German language version shall prevail.