

Q2

6-Month-Report 2007

- Sales increase as at half year by 12% compared with previous year to € 17.0 million
- Profitable business: EBIT after six months at € 0.4 million (previous year € 0.3 million)
- Level of orders on hand increases further to € 22.3 million
- Prospects positive for the year overall, unchanged

Overview of key figures in the first half year

	H1 2007	H1 2006	Change in %
Sales (k€)	16,985	15,176	+12
EBIT (k€)	370	298	+24
EBT (k€)	487	358	+36
Result for the period (k€)	313	225	+39
Result for the period per share (€)	0.05	0.03	+39
Cash flow from operating activities (k€)	-3,200	-8,286	-/-
Investments (as at 30 June, k€)	511	532	-4
Orders on hand (€ million)	22.3	15.3	+46
Employees (as at 30 June)	230	220	+5
	30.6.2007	31.12.2006	Change in %
Cash and cash equivalents (k€)	4,654	8,430	-45
Shareholders' equity (k€)	19,266	19,024	+1
Capital ratio (%)	78	67	+11%-Points
Loans (k€)	0.00	0.00	-/-

Overview of key figures in the second quarter

	Q2 2007	Q2 2006	Change in %
Sales (k€)	8,868	8,446	+5
EBIT (k€)	288	407	-29
EBT (k€)	336	428	-22
Result for the period (k€)	217	257	-15
Result for the period per share (€)	0.03	0.04	-15

The secunet Share

Reuters	Bloomberg	German SIN	ISIN
YSNG.DE	YSN	727650	DE0007276503

	29.6.2007	30.6.2006
Price (€)	7.11	8.45
Number of shares	6,500,000	6,500,000
Market capitalization (€)	46,215,000	54,925,000
High/Low 52W (€)	H: 9.68/L: 6.17	H: 16.22/L: 7.40

	H1 2007	H1 2006
Daily trade volume XETRA, average	4,037	6,293

Financial Calendar 2007

2 August
6-month results

8 November
9-month results

14 November
Shareholders' equity forum of
the German Stock Exchange

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 business unit Government

The sensitive data of citizens in Germany requires trustworthy communication structures. E-Government offers immense efficiency potential. The secure handling of sensitive data is our challenge.

One success from the business unit Government in the first half year 2007:

Electronic health card: Siemens deploys secunet network connector



[Essen, 17 April 2007] secunet Security Networks AG, leading provider of complex IT security and high security, is to supply the network connector for the CardOS HealthCare Connector from Siemens. secunet has concluded a corresponding license agreement with Siemens Medical Solutions (Med). The network connector is derived from the proven security technology SINA which secunet offers for the high security requirements of government bodies, both nationally and internationally. (more under www.secunet.com)

In the next quarter, you can read here a presentation from the business unit Business Security.

Dear shareholders, customers, employees and friends of secunet,

secunet Security Networks AG generated a sound result in the first half year 2007. We were able to increase the group sales by 12% from € 15.2 million in the previous year to € 17.0 million in the current year. Also in the second quarter 2007, the growth trend in sales continues. The increase is all the more pleasing since we were also able to achieve modest increases in comparison with the record year 2005.

secunet remains profitable: In the first six months 2007, we achieved a result before interest and taxes (EBIT) in an amount of approx. € 0.4 million; that is to say, 24% more than in the same period in the previous year. In the second quarter 2007, we optimized operative processes and our business infrastructure with regard to our new business organization, and also further extended our marketing activities. The increased costs thereby incurred reduced the result at a quarterly level; compared with Q2-2006, the EBIT fell by 29%.

It is precisely because we invest in the future of our business and have implemented the correct strategic measures to pave the way ahead that we continue to look optimistically into the future:

Our long-term strategy of responding in increasing measure to the special needs of the different target groups is bearing fruit.

Accordingly, the focused expansion in marketing activities abroad is already now leading to a high increase in our foreign business. Already in the first half of the business year 2007, we achieved the same volume of sales with projects and product deliveries to customers abroad as was achieved in the entire year 2006. The prospects for the second half year 2007 are also promising.

For customers from the private economy, the secunet offer is becoming more attractive. The creation of a dedicated company division which very clearly focuses on the needs of this target group has made a significant contribution in this respect. The interest of the private economy in our high security solution SINA is also increasing.

In the wake of our new business organization introduced since 1 January 2007, we are also expanding our finance reporting. With this 6-Month-Report, we begin with segment reporting. In this connection we illuminate the development in the company divisions Private and Public Sector, which, with their respective offers, address customers from the private economy and the public sector respectively. With this step, the intention is to improve the information provided to our shareholders in the sense of far-reaching transparency.

Our order books are full. The orders on hand as at 30 June 2007 amounted to over € 22 million, that is 46% more than in the previous year. Concerning the sales trend for the entire year, we are confident of achieving the results we planned. It will depend on the sales mix in the second half year, here in particular the scope of product and software orders, as to what extent we approach our EBIT target.

Sincerely,

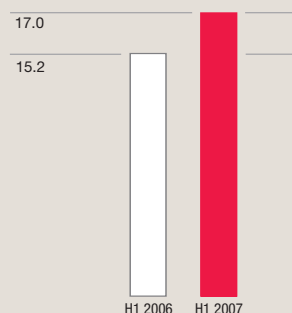


Dr. Rainer Baumgart
CEO



Dr. Rainer Baumgart

Sales in € million



EBIT in € million



Interim Management Report for first half year 2007

Sales development

The secunet group generated sales of approx. €17.0 million in the first half year of the business year 2007. Compared with the first half year of the previous year, in which sales were achieved of approx. €15.2 million, sales rose by €1.8 million or 12%.

On the one hand, this positive development is to be attributed to a basic effect resulting from the fact that in the previous year, due to the lack of governmental demand, a comparatively weak first half year was realized. At the same time, however, an increase in sales of 4% could also be achieved compared with first half year 2005, when these special effects were not present. In this respect, further organic growth can be recorded.

In the Q2-2007, sales of the secunet group amounted to approx. €8.9 million. Compared with the previous year period, sales thus increased by 5% (€8.5 million), and compared with the stronger year 2005 by 1% (€8.8 million in Q2-2005).

Earnings situation

The change in the main cost items compared with the previous year is inconsistent: Whilst the personnel costs rose only slightly by 1.5% and amortization and depreciation even fell by 1%, the cost of materials, occasioned through the demand for SINA components, increased by nearly 13%. There was a particularly sharp rise in other operating expenses: +19% or, in absolute terms, approx. €0.6 million. The following effects have precipitated this increase: the higher costs of personnel procurement, increased rents (the premises of secunet Network Security AG were adjusted to take account of the increased number of employees) as well as costs for process adaptation and optimization as a consequence of the new organizational structure in the company. In total, the costs in the secunet group rose by €1.2 million or 8% compared with the previous year.

Due to the increased costs and lower other operating income, the increase in sales could not be reflected in a corresponding increase in profit. The EBIT amounts to approx. €0.4 million for the first half year after €0.3 million in the previous year. A positive financial result leads to a result before taxes of approx. €0.5 million. After deduction of the tax burden, a surplus results of €0.3 million in comparison to €0.2 million in the first six months of the previous year. The result per share thus amounts to €0.05 in comparison to €0.03 in the first half year 2006.

The higher other operating expenses basically arose in the second quarter. Accordingly, on a quarterly basis, the result before interest and taxes is also lower than in the previous year: The EBIT sank from Q2-2006 (€0.4 million) by 29% to €0.3 million.

Segment reporting

For optimized contact to the customers, tailored to their requirements, secunet is organized into two company divisions: The Private Sector addresses the needs of customers in the private economy, the Public Sector addresses, with its activities, authorities and other government organizations. Each of the company divisions are divided into two business divisions: in the Public Sector these are the business divisions High Security and Government, and in the Private Sector Business Security and Automotive.

In the first half year 2007, the company division Private Sector contributed, with € 4.7 million, approx. 28% to the group sales. After deduction of the costs of materials and operational costs, the Private Sector generated a result before interest and taxes (EBIT) of € 0.1 million.

The sales of the company division Public Sector amounted in the first half year 2007 to € 12.3 million, which represents 72% of the group sales. In the same period, the Public Sector achieved an EBIT of € 0.3 of million.

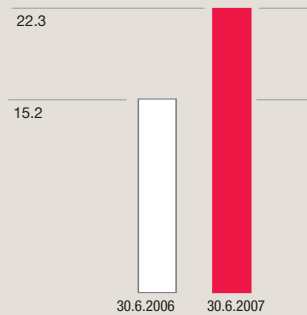
in k€	Private Sector 1 Jan - 30 Jun 2007	Public Sector 1 Jan - 30 Jun 2007	Total 1 Jan - 30 Jun 2007
Sales	4,734	12,251	16,985
Other income	326	160	486
Cost of materials	-201	-4,238	-4,439
Operative expense	-4,737	-7,925	-12,661
EBIT	121	249	370

Assets and financial situation

The balance sheet of the secunet group as at 30 June 2007 shows a clear drop in the level of cash and cash equivalents compared with situation at the end of the year 2006: from € 8.4 million as at 31 December 2006 to € 4.7 million. At the same time the other provisions fell from € 2.7 million to € 1.8 million. This change is basically explained through the payment of the variable salary components for the business year 2006, which took place in the first quarter 2007. The level of cash and cash equivalents was also affected by changes in the short term current assets. The level of trade payables as well as of other liabilities sank in figure by € 3.0 million. The level of trade receivables increased from € 11.1 million as at 31 December 2006 to € 11.3 million as at 30 June 2007.

The improved result situation is also reflected in the cash flow. Notwithstanding the outgoings in liquid funds through the payment of bonuses and the change in the short-term current assets, the cash flow from operating activities improved from € -8.3 million in the previous year to € -3.2 million in the first half year 2007.

Orders on hand in € million



Investments

In the first half year 2007, approximately € 0.5 million was invested in new purchases and the replacement of hardware, software licenses and other tools and equipment. Compared with the previous year figure, the investment expenditure sank marginally.

Employees

As at 30 June 2007, the secunet group had 230 employees, that means ten employees or 5% more than at the end of the first six months of the previous year. Compared with the situation as at 31 December 2006, the number of employees rose by 2. The main increase in personnel took place in the business year 2006, and concentrated on the productive fields Product Management, Sales and Consultation and Development.

Outlook

The market for IT security is an attractive growth market. Authorities, international organizations and businesses still continue to have a considerable demand for IT security and high security. Increasing investments in these fields benefit from the current positive overall economic environment. secunet is excellently positioned in this growth market.

The favorable demand situation is demonstrated by the level of orders placed with secunet. As at 30 June 2007, this amounted to approx. € 22.3 million. That represents an increase of 46% compared with the level as at the end of the first half year 2006, and of 54% compared with the level as at 31 December 2006.

The market and order situation provide the board of management of secunet Security Networks AG with confidence that the growth expectations for the business year 2007 will be fulfilled.

Supplementary notes

In the first half year 2007, no performances or payments were promised to members of the board of management by a third party with regard to their activities as members of the board of management, nor were any such performances or payments made during this period. In the first half year 2007, the supervisory board members received no remuneration or advantages for performances personally provided, in particular consultation and procurement performances, above and beyond the remuneration laid down for the supervisory board members in the statutes of secunet Security Networks AG. Neither the members of the board of management nor the members of the supervisory board receive any loans from the company.

Future-related statements

This 6-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.

Shortened Interim Financial Statements in the first half year 2007

Consolidated Balance Sheet of secunet Security Networks (IFRS)

Assets in €	30 Jun 2007	31 Dec 2006
Short-term assets		
Cash and cash equivalents	4,653,579.06	8,430,450.62
Securities in current assets	0.00	0.00
Accounts receivable	11,300,117.78	11,122,327.90
Due from affiliates	207,280.98	448,646.50
Inventories	1,065,547.41	534,587.25
Other short-term assets	327,791.51	189,335.24
Due from taxes on earnings	16,468.48	282,868.91
Total short-term assets	17,570,785.22	21,008,216.42
Long-term assets		
Fixed assets	1,456,159.06	1,393,064.91
Intangible assets	96,076.60	104,396.25
Goodwill	2,950,000.00	2,950,000.00
Financial assets	602,153.21	564,371.63
Deferred taxes	2,098,060.39	2,264,486.21
Total long-term assets	7,202,449.26	7,276,319.00
Total assets	24,773,234.48	28,284,535.42
Liabilities in €	30 Jun 2007	31 Dec 2006
Short-term borrowed funds		
Short-term share of finance leasing obligations	44,336.13	64,194.59
Short-term loans and short-term share of long-term loans	0.00	6.82
Accounts payable	1,287,161.11	3,176,472.83
Due to affiliates	25,473.07	21,842.52
Other provisions	1,826,149.55	2,675,376.21
Other short-term liabilities	580,182.98	1,488,383.50
Prepaid and deferred items	196,691.67	371,025.61
Total short-term borrowed funds	3,959,994.51	7,797,302.08
Long-term borrowed funds		
Long-term finance leasing obligations	12,238.83	24,477.67
Deferred taxes	76,348.49	69,127.25
Provisions for pensions	1,458,592.21	1,369,370.00
Total long-term borrowed funds	1,547,179.53	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	-107,834.77	-108,974.77
Accumulated deficit	-8,937,351.48	-9,250,615.49
Accumulated other comprehensive income/loss	-110,759.11	-38,157.12
Total equity	19,266,060.44	19,024,258.42
Total equity and liabilities	24,773,234.48	28,284,535.42

Consolidated Income Statement of secunet Security Networks (IFRS)

in €	1 Apr - 30 Jun 2007	1 Apr-30 Jun 2006	1 Jan - 30 Jun 2007	1 Jan-30 Jun 2006
Sales	8,867,886.59	8,446,303.86	16,984,613.79	15,175,614.71
Other operating income	164,814.43	234,386.99	485,797.26	990,683.01
Cost of purchased materials and services	-2,585,611.88	-2,300,804.64	-4,439,121.93	-3,941,996.12
Personnel expenses	-4,025,732.90	-4,271,070.11	-8,420,748.46	-8,292,568.95
Depreciation of fixed assets (and intangible assets)	-197,148.67	-220,356.54	-418,390.45	-422,499.79
Other operating expenses	-1,935,736.57	-1,481,731.36	-3,822,154.02	-3,211,103.53
Operating income/loss	288,471.00	406,728.20	369,996.19	298,129.33
Interest income and expenditure	44,357.72	19,332.64	109,765.27	53,531.52
Foreign currency exchange gains/losses	2,950.05	2,199.53	7,149.58	6,455.79
Result before income taxes and minority interest	335,778.77	428,260.37	486,911.04	358,116.64
Income taxes	-118,402.36	-171,578.68	-173,647.03	-132,766.84
Result before minority interest	217,376.41	256,681.69	313,264.01	225,349.80
Net income/loss	217,376.41	256,681.69	313,264.01	225,349.80
Earnings per share (basic)	0.03	0.04	0.05	0.03
Earnings per share (diluted)	0.03	0.04	0.05	0.03
Weighted average shares outstanding (basic)	6,468,189	6,444,415	6,468,125	6,440,214
Weighted average shares outstanding (diluted)	6,500,000	6,500,000	6,500,000	6,500,000

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

in €	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			1,140.00			1,140.00
Exchange rate differences					-72,601.99	-72,601.99
Net profit Jan 01 - Jun 30, 2007				313,264.01		313,264.01
Equity as at Jun 30, 2007	6,500,000.00	21,922,005.80	-107,834.77	-8,937,351.48	-110,759.11	19,266,060.44

Consolidated Cash Flow Statement of secunet Security Networks (IFRS)

in €	1 Jan - 30 Jun 2007	1 Jan - 30 Jun 2006
Cash flow from operating activities		
Operating result	369,996.19	298,129.33
Adjustments for:		
Minority shares	0.00	0.00
Depreciation and amortization	418,390.45	422,499.79
Increase/decrease in provisions	-760,004.45	-3,850,757.11
Other (non-cash transactions)	1,140.03	32,790.00
Interest income and expenses	109,765.27	53,531.52
Cash flows from taxes	266,400.43	-34,337.18
Decrease (increase) in short-term receivables, inventories and other assets	-605,840.79	-4,026,611.44
Increase (decrease) in short-term liabilities and other liabilities	-3,000,319.75	-1,180,902.74
Cash and cash equivalents generated from/ used in operating activities	-3,200,472.62	-8,285,657.83
Cash flow from investment activities		
Acquisition of subsidiary companies, less cash and cash equivalents acquired	0.00	0.00
Proceeds from the sale of subsidiary companies, less cash and cash equivalents transferred	0.00	0.00
Acquisition of fixed assets	-510,946.53	-532,244.22
Other	0.00	0.00
Cash and cash equivalents used for investments	-510,946.53	-532,244.22
Cash flow from financing activities		
Proceeds from transfers to equity	0.00	0.00
Payments from the conclusion of short- or long-term loans	0.00	0.00
Payments from the redemption of loans	0.00	0.00
Payments for finance leasing	0.00	0.00
Acquisition of treasury stock	0.00	0.00
Payment of external shareholders	0.00	0.00
Fall (rise) in other short-term financial receivables	0.00	0.00
Other	0.00	0.00
Cash and cash equivalents generated from/ used in operating activities	0.00	0.00
Net effect of currency conversions of cash and cash equivalents	-65,452.41	49,258.85
Increase/reduction in cash and cash equivalents	-3,776,871.56	-8,768,643.20
Cash and cash equivalents at beginning of period	8,430,450.62	12,845,872.17
Cash and cash equivalents at end of period	4,653,579.06	4,077,228.97

Explanatory Report

Accounting principles

The consolidation principles and the procedure of currency conversion for the period from 1 January until 30 June 2007 correspond to those applied in the consolidated financial statements for the business year 2006. The accounting and valuation methods were maintained. The consolidated financial statements of secunet Security Networks AG as at 31 December 2006 were prepared on the basis of § 315 a HGB [Handels-gesetzbuch - German Commercial Code] and in compliance with the International Financial Reporting Standards (IFRS) as they are to be applied in the European Union.

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

The calculation of the taxes on income is based on a tax rate of 40% for companies inland. The calculation of the taxes on income in the case of foreign companies is based on the respective national tax rates. Tax effects from the reform of taxation of businesses recently resolved have not been taken into account within the scope of valuation of the deferred taxes since the reform has only come into force by parliamentary resolution of 6 July 2007. The group anticipates an effect on the result of € -0.3 million from the reform of taxation of businesses.

Level of own shares/subscription rights

As at the effective date 30 June 2007, the company holds 31,558 own shares; they correspond to a share of 0.5% of the share capital. In the period between 1 January and 30 June 2007, 380 shares were sold at a price of € 3.00 (in accordance with the share option program). The shares sold correspond to a share of 0.01% of the share capital. As at the balance sheet date, 17,845 share options were still outstanding.

Business transactions with related persons

The consolidated companies of the secunet group have a relationship within the scope of their normal business activities with the main shareholders Giesecke & Devrient GmbH, Munich, and RWTÜV AG, Essen. All transactions are carried out at market usual conditions.

Events after the balance sheet date

No material events occurred after the reporting date. Likewise, no change has occurred following the close of the business year 2006 in the material chances and risks as they are described in the management report 2006.

Assurance of the legal representatives

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year."

Essen, 1 August 2007

Dr. Rainer Baumgart, Thomas Koelzer, Thomas Pleines

Certificate following audit study

To secunet Security Networks Aktiengesellschaft

We subjected the abridged consolidated interim financial statements - consisting of balance sheet, income statement, cash flow statement, statement of changes in shareholders' equity as well as selected explanatory details in the notes - and also the consolidated interim management report of secunet Security Networks Aktiengesellschaft, Essen, for the period from 1 January 2007 to 30 June 2007, which are component parts of the half year financial report under § 37 w WpHG [Wertpapierhandelsgesetz - Act concerning Trade in Securities], to an audit study. The preparation of the abridged consolidated interim financial statements according to IFRS for interim reporting, as they are to be applied in the EU, and of the consolidated interim management report in accordance with the provisions of the WpHG applicable for consolidated interim management reports, lies within the sphere of responsibility of the legal representatives of the company. It is our task to issue a certificate in relation to the abridged consolidated interim financial statements and the consolidated interim management report on the basis of our audit study.

We carried out the audit study of the abridged consolidated interim financial statements and the consolidated interim management report in compliance with the German principles laid down by the Institut der Wirtschaftsprüfer (IDW) [Institute of Certified Public Accountants] for audit studies of financial statements. According to these principles, the audit study is to be planned and carried out in such a manner that, under critical assessment, we can, with a certain security, rule out the possibility that the abridged consolidated interim financial statements, in important aspects, have not been prepared in compliance with the IFRS for interim reporting, as they are to be applied in the EU, and that the consolidated interim management report, in important aspects, has not been prepared in compliance with the provisions of the WpHG applicable for consolidated interim management reports. An audit study is primarily restricted to questioning employees of the company and to analytical assessments, and therefore does not offer the security attainable through a final audit. Since, in accordance with our instructions, we did not carry out a final audit, we are unable to issue an audit opinion.

On the basis of our audit study, no circumstances came to our knowledge which lead us to assume that the abridged consolidated interim financial statements, in important aspects, have not been prepared in compliance with the IFRS for interim reporting, as they are to be applied in the EU, or that the consolidated interim management report has not, in important aspects, been prepared in compliance with the provisions of the WpHG applicable for consolidated interim management reports.

Essen, 1 August 2007

BDO Deutsche Warentreuhand
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Rittmann	ppa. Fritz
Auditor	Auditor

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Concept and Design

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