

- Further growth in sales (+30%)
- Profitable business: EBIT Euro 0.4m (+5%)
- High level of orders (Euro 18.9m) and high capacity utilisation
- Unchanged, optimistic outlook for the business year 2008

Overview of key figures in the first half year

	H1 2008	H1 2007	Change in %
Sales (kEuro)	22,061	16,985	+30%
EBIT (kEuro)	389	370	+5%
EBT (kEuro)	883	487	+81%
Earnings for the period (kEuro)	622	313	+98%
Earnings for the period per share (Euro)	0.10	0.05	+100%
Cash flow from current business activities (kEuro)	-3,338	-3,266	–
Investments (kEuro)	442	549	-19%
Orders on hand (as at 30 June, mEuro)	18.9	22.3	-15%
Employees (as at 30 June)	261	230	+13%

	30 Jun 2008	31 Dec 2007	Change in %
Cash and cash equivalents (kEuro)	7,258	10,909	-34%
Equity (kEuro)	22,339	21,741	+3%
Equity ratio (in %)	72	65	+7%-points
Loans (kEuro)	0.00	0.00	–

Overview of key figures in the second quarter

	Q2 2008	Q2 2007	Change in %
Sales (kEuro)	11,677	8,868	+32%
EBIT (kEuro)	18	288	-94%
EBT (kEuro)	284	336	-16%
Earnings for the period (kEuro)	212	217	-2%
Earnings for the period per share (Euro)	0.03	0.03	0%

The secunet share

Reuters	Bloomberg	WKN	ISIN
YSNG.DE	YSN	727650	DE0007276503

	30 Jun 2008	29 Jun 2007
Stock exchange price (Euro)	4.42	7.11
Number of shares	6,500,000	6,500,000
Market capitalisation (Euro)	28,730,000	46,215,000
52W High/Low (Euro)	H: 5.71/T: 3.60	H: 9.68/T: 6.17

	H1 2008	H1 2007
Average daily XETRA trading volume	5,057	4,037

Financial Calendar 2008

14 August

Half-year results

6 November

9-month results

11 November

German Equity Forum



Dr. Rainer Baumgart

Dear shareholders, customers, employees and friends of secunet,

The results of the year 2008 show a continued success for secunet: we have increased our sales in the first half of the year by 30% to over 22 million Euros. With this we have provided a good basis for the business year 2008, which meets our and your growth expectations. The growth in sales was particularly fuelled by our business area High Security, which is meanwhile achieving 50% of the sales revenues in secunet.

However, the result before interest and taxes (EBIT) in the first half of 2008 fell short of the existing expectations of the capital market. Extra burdens were imposed due to the preparation expenses in the sales area for large projects in the first half.

secunet products and services are in great demand. This is reflected by the high volume of orders. There has been increasing demand for our SINA products; among others, we announced a large order by the German Federal Armed Forces for the deployment-oriented SINA equipment (ESA). Likewise, secunet is supplying solutions for high security needs in other large infrastructure projects. We are able to satisfy the special requirements of our customers by expanding the SINA product palette: for instance by the SINA Mobile Disk and SINA L2. New orders for consulting in the business unit Government are generated regularly from the outline agreement for advisory services in the area of IT security with the German Federal Office for Information Security (BSI). Sales volume of the business area Business Security is growing with customers from the private economy, driven by marketing efforts in this area. International business is growing: we are presenting ourselves at trade fairs in Europe and USA; we have expanded our International Sales team. Accordingly the percentage of overseas sales earnings continues to be high, with an upward trend.

The positive sales situation and the wide-ranging marketing activities cater to high capacity utilisation at secunet. At the same time the order books remain full. Hence we retain our clearly positive assessment of the current business year at the close of the first half of 2008 and reaffirm our prognosis for double-digit growth in sales and earnings.

Dr. Rainer Baumgart
Chairman of the Executive Board

Interim management report for the first half year 2008

Sales

In the first half of the business year 2008 the secunet group achieved sales of Euro 22.1m. In comparison with the previous year, in which sales of Euro 17.0m were achieved, sales increased by Euro 5.1m or 30 percent.

This increase in sales is due to the successful extension of marketing activities at home and abroad as well as increasing demand for secunet products and services. By expanding personnel capacities in the marketing of the business units Business Security and High Security, the systematic acquisition of new customers could be increased in these areas. At the same time the customers of secunet were mostly willing to recommend us: this is very helpful in a market, which is characterised by trust as in IT security. Also, recurrent sales, for instance through support contracts, form an increasing portion of the sales revenues.

The sales revenues of the secunet group in Q2-2008 amounted to Euro 11.7m, an increase of 32% over the last year's quarter (Euro 8.9m).

Earnings

The main cost items have changed to varying degrees in comparison with the previous year. Depreciation has gone down by 2%, which reflects a decline in business and work place equipment expenses. Disproportionate to sales, staff costs have risen by 10% from Euro 8.4m in the first half of 2007 to Euro 9.3m in the current half-year. At the same time the staff numbers have increased by 13%. Other operating costs increased by 23% from Euro 3.8m to Euro 4.7m. The increase is due to higher travel expenses resulting from intensive sales efforts, increased marketing costs and a higher level of expenses for the maintenance of the business infrastructure.

Materials costs show the highest increase of 79% from Euro 4.4m in the first half of 2007 to Euro 8.0m. The main factor in this regard is the disproportional growth in the supply of hardware in conjunction with SINA projects (in the business unit High Security).

This is also the reason for the increase in EBIT, disproportionate to sales, in the first half-year by +5%, (Previous year Euro 0.37m, current year Euro 0.39m). Compared with the second quarter 2008, the EBIT figure has actually reduced at the quarterly level from Euro 0.3m in the last year to Euro 0.02m in Q2-2008.

High (unrealised) currency gains in the first half of 2008 led to an increase of 81% over the last year in earnings before tax, in Q2-2008 from Euro 0.5m to Euro 0.9m. The profit after tax for the first half of 2008 came to Euro 0.6m over Euro 0.3m in the previous year. Earnings per share have thus doubled from Euro 0.05 to Euro 0.10.

Segment reporting

Secunet is divided into two company divisions to address customers' needs in a focussed and need-based manner: The Private Sector division addresses the needs of customers in the private business sector and the activities of the Public Sector division are directed towards public authorities and other state organisations. Each of the company divisions comprises two business units; in the Public Sector division these are the High Security and Government Business units and in the Private Sector the Business Security and Automotive units. The business units of High Security, Government and Business Security are identified as separate sectors in the segment reporting, whereas the Automotive unit is shown together with the unit Overhead as "Other segments".

All segments of the company achieved increases in sales in the first half of 2008 as compared to the previous year. Only the Automotive unit noted a decrease in sales by 45% from Euro 1.2m to Euro 0.7m. The business unit of High Security, which produces the SINA product range represents the greatest proportion of sales in secunet with a share of over 50 percent: A growth of 68% in sales could be achieved over the previous year through these products and services. The business unit Government was able to increase the sales by 3% from Euro 5.5m in the first half of 2007 to Euro 5.6m in the current year. In the segment Business Security sales increased by 23% from Euro 4.0m in the previous year to Euro 4.9m in 2008.

There is a significant difference between what the sectors contribute to earnings before interest and tax and their respective proportion of sales. This concerns especially the business domain High-security, whose EBIT is heavily burdened with comparatively high material expenses. The EBIT figure rose ten-fold here from Euro 0.06m in 2007 to Euro 0.6 m between January and June 2008. The unit "Other segments" is the most affected by costs, which include overhead expenses. The EBIT figure here was Euro - 0.8m for the first half of 2007; the deficit rose to Euro -1.4m in the current year.

Assets and financial situation

The balance sheet as at 30 June 2008 shows a decline in the level of liquid assets in comparison with the end of 2007: from Euro 10.9m for 31 December 2007 to Euro 7.3m. The reason for this is the payment of the variable components of salaries in the first quarter. The level of accrued liabilities has also declined correspondingly. The decline in supplier liabilities from Euro 4.9m on 31 December 2007 to Euro 3.8m at the end of the first half of 2008 also has an effect on the level of cash and cash equivalents.

The improved earnings situation is indeed reflected in the cash flow from the operational activities; however, these positive results are more than compensated for by the reduction in the reserves and liabilities as well as by creation of receivables, so that the cash flow from operational activities was a little less than that of the previous year. On the other hand changes in the cash flows from investment activities and financing activities have a comparatively lower effect. Overall, the stock of instruments of payment in the secunet group reduced by Euro 3.6m in the first half of 2008, as against a reduction of Euro 3.8m in the previous year.

Investments

In the first half of 2008, a sum of approximately Euro 0.4m has been invested in the purchase and replacement of hardware, software licences and other business equipment. In comparison with the previous year's investment of Euro 0.5m the level of investment declined by around 19 percent.

Employees

As at 30 June 2008 the secunet group employed 261 employees. This is 31 employees or 13% more than that at the end of the first half in the previous year. New employees were appointed mainly in the productive business areas of development and consultancy and sales.

Opportunities and risks

There was no change in the major opportunities and risks since the end of the business year 2007 as described in the business report of 2007.

Outlook

The demand for IT security and high security from public authorities, international organisations and companies remains at a high level. Threats against IT are also growing constantly. The growing awareness of the damaging effects of inadequate IT security is being reinforced by legal regulations, which call for security mechanisms. The market for high quality IT security continues to remain a growth market in which secunet is positioned well. This is also backed by customer surveys, which attribute competence, reliability and trust to the company and its employees. secunet has earned this positive rating through its long-term experience in a number of successfully implemented projects.

The huge demand for products and services is reflected in secunet's high order balance. Despite the high utilisation of capacity and speedy order processing – which is reflected in the growth of sales – the orders on hand remain at a high level at Euro 18.9m. A fall has been recorded in comparison with the volume of orders on 30 June 2007 (Euro 22.3m). However, if the increase in sales by Euro 5,1m, which corresponds to increased order processing, is considered, the order book has actually increased over the previous year's value.

Overall, the general conditions give cause for the Executive Board of secunet Security Networks AG to be confident that the prognosis for a double-digit growth in sales and earnings for the year of 2008 will be achieved.

Future-related statements

This half-yearly report of 30 June 2008 contains statements relating to the future development of secunet Security Networks AG and economic and political developments. These statements are estimates and assessments, which we have made on the basis of the information available to us at this moment in time. If the assumptions on which they are based are incorrect or if further risk situations occur, the actual results may differ from those currently anticipated. We cannot therefore provide any guarantee for this information.

Summary interim report as of 30 June 2008

Consolidated Balance Sheet of secunet Security Networks AG (IFRS)

Assets in Euro	30 Jun 2008	31 Dec 2007
Current assets		
Cash and cash equivalents	7,258,054.40	10,908,588.36
Trade accounts receivable	14,799,158.14	13,309,933.47
Trade accounts receivable from affiliated companies	469,961.38	906,062.79
Inventories	1,342,971.13	1,550,324.06
Other current assets	149,764.99	115,067.74
Claims from income tax	129,318.00	0.00
Total current assets	24,149,228.04	26,789,976.42
Non-current assets		
Tangible assets	1,328,506.93	1,311,684.18
Intangible assets	224,199.68	264,220.19
Goodwill	2,950,000.00	2,950,000.00
Financial assets	739,677.98	686,258.02
Deferred taxes	1,451,863.49	1,722,468.03
Total non-current assets	6,694,248.08	6,934,630.42
Total assets	30,843,476.12	33,724,606.84

Equity and liabilities in Euro	30 Jun 2008	31 Dec 2007
Current liabilities		
Current portion of capital lease obligations	0.00	21,029.15
Trade accounts payable	3,774,407.53	4,898,409.90
Other provisions	2,336,220.31	3,632,995.00
Liabilities for tax on income	192,257.00	192,257.00
Other current liabilities	763,751.05	1,495,776.82
Deferred items	200,523.95	560,703.78
Total current liabilities	7,267,159.84	10,801,171.65
Non-current liabilities		
Deferred taxes	14,930.19	24,602.77
Pension provisions	1,221,917.06	1,157,978.56
Total non-current liabilities	1,236,847.25	1,182,581.33
Equity		
Subscribed equity	6,500,000.00	6,500,000.00
Capital reserved	21,922,005.80	21,922,005.80
Treasury stock	-103,739.83	-103,739.83
Accumulated deficit	-5,933,739.66	-6,555,663.17
Accumulated other overall result	-45,057.28	-21,748.94
Total equity	22,339,469.03	21,740,853.86
Total equity and liabilities	30,843,476.12	33,724,606.84

Consolidated Income Statement of secunet Security Networks AG (IFRS)

in Euro	01 Apr - 30 Jun 2008	01 Apr - 30 Jun 2007	01 Jan - 30 Jun 2008	01 Jan - 30 Jun 2007
Sales	11,677,055.41	8,867,886.59	22,061,265.06	16,984,613.79
Other operating income	127,654.66	164,814.43	661,471.02	485,797.26
Cost of purchased materials and services	-4,405,331.96	-2,585,611.88	-7,957,896.24	-4,439,121.93
Personnel expenses	-4,762,979.33	-4,025,732.90	-9,257,058.53	-8,420,748.46
Depreciation on tangible assets and intangible assets	-216,101.71	-197,148.67	-411,793.58	-418,390.45
Other operating expenses	-2,402,705.58	-1,935,736.57	-4,706,632.81	-3,822,154.02
Earnings before interest and tax	17,591.49	288,471.00	389,354.92	369,996.19
Interest income/expense	67,496.58	44,357.72	152,454.59	109,765.27
Foreign currency exchange gains/losses	198,580.31	2,950.05	341,045.96	7,149.58
Earnings before tax	283,668.38	335,778.77	882,855.47	486,911.04
Tax on income	-71,897.03	-118,402.36	-260,931.96	-173,647.03
Company results for the period	211,771.35	217,376.41	621,923.51	313,264.01
Earnings per share (undiluted)	0.03	0.03	0.10	0.05
Earnings per share (diluted)	0.03	0.03	0.10	0.05
Average number of shares outstanding (undiluted)	6,469,502	6,468,189	6,469,502	6,468,125
Average number of 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 AG (IFRS)

in Euro	Subscribed equity	Capital reserved	Treasury stock	Accumulated deficit	Accumulated other overall result	Total
Equity as of 31 Dec 2006	6,500,000.00	21,922,005.80	-108,974.77	-9,250,615.49	-38,157.12	19,024,258.42
Increase/decrease in treasury stock			1,140.00			1,140.00
Foreign currency differences					-72,601.99	-72,601.99
Company results for the period 01 Jan – 30 Jun 2007				313,264.01		313,264.01
Equity as of 30 Jun 2007	6,500,000.00	21,922,005.80	-107,834.77	-8,937,351.48	-110,759.11	19,266,060.44
Increase/decrease in treasury stock			4,094.94			4,094.94
Foreign currency differences					89,010.17	89,010.17
Company results for the period 01 Jul – 31 Dec 2007				2,381,688.31		2,381,688.31
Equity as of 31 Dec 2007	6,500,000.00	21,922,005.80	-103,739.83	-6,555,663.17	-21,748.94	21,740,853.86
Foreign currency differences					-23,308.34	-23,308.34
Company results for the period 01 Jan – 30 Jun 2008				621,923.51		621,923.51
Equity as of 30 Jun 2008	6,500,000.00	21,922,005.80	-103,739.83	-5,933,739.66	-45,057.28	22,339,469.03

Consolidated Cash Flow Statement of secunet Security Networks AG (IFRS)

in Euro	01 Jan – 30 Jun 2008	01 Jan – 30 Jun 2007
Cash flow from operating activities		
Earnings before interest and tax (EBT)	882,855.47	486,911.04
Depreciation and amortisation	411,793.58	418,390.45
Change in reserves	-1,232,836.19	-760,004.45
Interest result	-152,454.59	-109,765.27
Changes in receivables, inventory, and other assets	-880,467.58	-568,059.18
Decrease/increase in accounts payable and deferred items	-2,237,237.12	-3,000,319.75
Tax payments	-129,318.00	266,400.43
Cash and cash equivalents generated from/ used in operating activities	-3,337,664.43	-3,266,446.73
Cash flow from investment activities		
Investment in intangible and tangible assets	-388,595.82	-510,946.53
Investment in financial assets	-53,419.96	-37,781.58
Cash and cash equivalents used for investments	-442,015.78	-548,728.11
Cash flow from financing activities		
Interest receipts	163,977.79	111,291.95
Interest payments	-11,523.20	-1,526.68
Change in treasury stock	0.00	1,140.00
Cash income from financing activities	152,454.59	110,905.27
Net effect of currency conversions of cash and cash equivalents	-23,308.34	-72,601.99
Changes in cash and cash equivalents	-3,650,533.96	-3,776,871.56
Cash and cash equivalents at start of period	10,908,588.36	8,430,450.62
Cash and cash equivalents at end of period	7,258,054.40	4,653,579.06

Explanatory report

The Half-Year Financial Report of secunet Security Networks AG as at 30 June 2008 was prepared in accordance with the standards of the International Accounting Standard (IAS) 34 "Interim Reporting".

Accounting principles

The consolidation method and the procedure for currency conversion for the period from 1 January to 30 June 2008 are in accordance with those in the company's annual accounts for the business year 2007. The accounting and valuation methods were retained. The annual accounts of secunet Security Networks AG for 31 December 2007 were produced in accordance with Section 315a of the German Commercial Code (HGB) and in accordance with the International Financial Reporting Standards (IFRS) as they are to be applied in the European Union.

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

A tax rate of 31.4% applies to the calculation of tax on income for national companies. Calculation of tax payable on income for foreign companies is based on the respective rates of tax for those countries.

The preparation of the Half-Year Financial Report calls for the use of estimates on the part of the Management. This may cause deviations between the values shown in the half-yearly report and the actual values.

Basis of consolidation

In addition to the secunet Security Networks AG the consolidated financial statements include all those subsidiaries whose financial and operating policies are controlled by the group. The equity and net income attributable to minority shareholders' interests are not available for the period of the report and for the business year 2007.

As against 31 December 2007 the basis of consolidation remains unchanged on 30 June 2008.

Level of treasury stock / Subscription rights

As of 30 June 2008 the company holds 30,498 in treasury stock, unchanged from the state on 31 December 2007; this corresponds to 0.5 percent of the capital stock.

Segment reporting

The business unit High Security deals with the high complexity security requirements of government agencies and armed forces as well as international organisations. The core of the offering is the Secure inter-network architecture (SINA), developed in cooperation with the Federal Agency for Security in Information Technology (BSI).

The business unit Government supports all the government agency customers at home and abroad in all topics involving e-Government and IT security. This includes biometric solutions and e-ID, electronic health card (e-Health), security validation as well as Secure Web Solutions. This domain runs a BSI-certified test centre for IT conformity.

The security issues of industries and companies are in the forefront for employees in the Business Security unit. The offer palette includes among others, identity management systems, qualified mass signature solutions for electronic invoicing, public key infrastructures and network security. Analyses, consultancies and complete solutions are developed individually in all domains.

The business area Automotive deals with IT security issues of automobile manufacturers. As more and more vehicle functions are implemented in software, it becomes more important for the manufacturer and the dealer to protect the integrated hardware and software components from unauthorised modification.

kEuro	Business Security	Government	High Security	Other segments	Reconciliation	secunet H1 2008
Segment sales external	4,909	5,644	11,036	678	-207	22,061
Segment sales internal	72	0	47	123	-243	0
Segment result (EBIT)	321	775	598	-1,382	78	389
Goodwill	838	773	1,338	0	0	2,950
Segment assets	3,975	4,051	8,928	9,904	-450	26,407
Segment liabilities	3,515	2,800	3,414	2,517	-4,014	8,232
Investment	103	85	125	101	28	442
Depreciation	-55	-23	-68	-364	98	-412
Essential expenses						
Personnel expenses	-2,226	-2,549	-2,230	-2,252	0	-9,257
Purchased materials	-1,069	-705	-6,337	-152	305	-7,958
kEuro	Business Security	Government	High Security	Other segments	Reconciliation	secunet H1 2007
Segment sales external	3,997	5,480	6,573	1,238	-304	16,985
Segment sales internal	161	83	239	0	-484	0
Segment result (EBIT)	455	550	59	-770	76	370
Goodwill	0	0	0	0	2,950	2,950
Segment assets	2,727	3,438	5,798	8,346	-584	19,725
Segment liabilities	2,035	2,515	1,718	2,059	-2,909	5,418
Investment	63	90	93	87	178	511
Depreciation	-31	-17	-35	-433	98	-418
Essential expenses						
Personnel expenses	-1,779	-2,426	-1,980	-2,236	0	-8,421
Purchased materials	-742	-752	-3,129	-299	484	-4,439

Transactions with related parties

The consolidated companies within the secunet group are in business connection with their main shareholders, Giesecke & Devrient GmbH, Munich, and RWTÜV AG, Essen, in the course of their normal business activities. All transactions are conducted in accordance with normal business practice. The consolidated income statement contains sales revenues as well as other operational yields from business relations with these companies, to the tune of 1.3 million Euros. The expenses aggregate to an amount below 0.1 million Euros. The balance sheet shows receivables to the tune of 0.5 million Euro vis-à-vis associated companies of the Giesecke & Devrient group.

No members of the Executive Board received payments in the first six months or corresponding promises from third parties in connection with their Executive Board positions in the first half of 2008. In excess of the Supervisory Board compensation regulated by the statutes of the secunet Security Networks AG, the Supervisory Board members received no further compensation or benefits in the first six months of 2008 for personal services rendered, in particular advisory and mediatory services. Neither members of the Management nor Supervisory Board members receive loans from the company.

Events occurring after the balance sheet date

There were no essential events after the balance sheet date.

Responsibility Statement by the Management Board

“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, 11 August 2008

Dr. Rainer Baumgart

Thomas Koelzer

Thomas Pleines

Review Report

To secunet Security Networks Aktiengesellschaft

We have reviewed the condensed interim consolidated financial statements of the secunet Security Networks Aktiengesellschaft, Essen - comprising the balance sheet, the income statement, cash flow statement, statement of changes in equity and selected explanatory notes - together with the interim Group management report of the secunet Security Networks Aktiengesellschaft, Essen, for the period from January 1 to June 30, 2008 that are part of the Half-Year Financial Report according to § 37w WpHG (German Securities Trading Act).

The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU and of the interim Group management report in accordance with the requirements of the WpHG applicable to interim Group management reports, is the responsibility of the company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim Group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim Group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim Group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim Group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim Group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim Group management reports.

Essen, 11 August 2008

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Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

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