

- Continued revenue growth:
up 12% on previous year
- Results impacted by revenue structure and one-off effects
- High volume of orders:
outlook remains optimistic

Q3

Overview of the key figures for the first nine months

	9M 2009	9M 2008	Change in %
Revenue (kEuro)	37,235	33,159	+12
EBIT (kEuro)	-490	313	-257
EBT (kEuro)	-225	795	-128
Profit/loss for the period (kEuro)	-259	547	-147
Earnings per share for the period (Euro)	-0.04	0.08	-150
Cash flow from operating activities (kEuro)	-6,827	-2,928	-133
Capital expenditure (kEuro)	745	652	+14
Orders on hand (Euro m)	31.0	22.2	+40
Employees (as at 30 September)	280	263	+6

	30 Sep 2009	31 Dec 2008	Change in %
Cash and cash equivalents (kEuro)	8,347	15,893	-47
Equity (kEuro)	23,182	23,474	-1
Equity ratio (in %)	69	60	+9 percentage points
Loans (kEuro)	0.0	0.0	-/-

Overview of the key figures for the third quarter

	Q3 2009	Q3 2008	Change in %
Revenue (kEuro)	11,763	11,098	+6
EBIT (kEuro)	-745	-77	-868
EBT (kEuro)	-620	-88	-605
Profit/loss for the period (kEuro)	-549	-75	-632
Earnings per share for the period (Euro)	-0.08	-0.01	-700

Secunet share data

Reuters	YSNG.DE	
Bloomberg	YSN	
WKN	727650	
ISIN	DE0007276503	

	30 Sep 2009	30 Sep 2008
Price (Euro)	5.95	4.34
Number of shares	6,500,000	6,500,000
Market capitalisation (Euro)	38,675,000	28,210,000
52W high/low (Euro)	H: 6.16 / L: 3.10	H: 6.20 / L: 3.60

	9M 2009	9M 2008
Average daily XETRA trading volume	3,966	4,119

Interim group management report for the first nine months of 2009

REVENUE PERFORMANCE

The secunet Group generated revenue of Euro 37.2m in the first nine months of 2009, up 12% on the previous year (Euro 33.2m). This increase in revenue can be attributed to strong growth in the Public Sector division, and in particular the Government business unit within this division. At the same time, the Private Sector division, which focuses on private-sector companies and organisations, was impacted by the repercussions of the financial and economic crisis, with investment in IT security and corresponding projects being postponed. However, the current weakness in Private Sector is more than offset by the continued strong growth of Public Sector.

RESULTS OF OPERATIONS

Other operating income for the period from January to September 2009 was down 49% compared with the same period in the previous year, falling from Euro 0.8m to Euro 0.4m.

Total expenses in the secunet Group increased by 13% in the first nine months of 2009, rising from Euro 33.6m in the previous year to Euro 38.1m.

The cost of purchased materials and services rose relatively sharply, increasing by 16% from Euro 12.4m to Euro 14.4m. Projects involving a high proportion of hardware components had a particular influence here. Expenses for third-party services purchased to cover the shortfall in capacity resulting from the involvement of employees in sales and project preparation decreased in comparison with the previous year.

Staff costs rose by 12%, from Euro 13.8m to Euro 15.4m, in the period from January to September 2009. This was partly due to the increase in the number of employees.

Depreciation and amortisation was almost unchanged at Euro 0.6m in 2009 compared with the first nine months of 2008.

Other operating expenses rose much more sharply than in previous periods, increasing by 14% from Euro 6.8m in the previous year to Euro 7.8m in the first nine months of the current year. This was influenced by a one-off effect in the form of a provision for a tax back payment.

The decline in other operating income and, in particular, the increase in expenses in the secunet Group had a considerable impact on operating profit: earnings before interest and tax (EBIT) fell from Euro 0.3m after the first nine months of 2008 to Euro -0.5m.

Interest and (unrealised) foreign currency gains were down on the previous year's figures. The interest result fell by 74% in the first nine months of 2009, from Euro 0.2m in the previous year to well below Euro 0.1m. This was caused by the drop in interest rates as a result of the economic and financial crisis.

As a consequence, earnings before tax for the period from January to September 2009 were also down markedly on the year-earlier figure of Euro 0.8m at Euro -0.2m. After tax, the secunet Group posted a loss of Euro -0.3m in the first nine months of 2009, compared with a profit of Euro 0.5m in the previous year. Earnings per share for January to September 2009 amounted to Euro -0.04, compared with Euro 0.08 in the previous year.

SEGMENT REPORTING

secunet in Germany is divided into two business divisions, which focus their activities on specific target groups. The Public Sector division caters for authorities and other public sector consumers as well as international organisations. The contribution of the division is growing steadily: in the first nine months of 2009 it generated 81% of the revenue of the secunet Group (previous year: 78%).

Of the total group revenue, 19% (previous year: 22%) was generated in the Private Sector business division, which addresses the IT security needs of companies in private industry. Within this division, the Business Security business unit generated 17% of the total group revenue in the first nine months of 2009, posting revenue of Euro 6.4m. This represents a decrease of 7% compared with the period from January to September 2008, in which revenue of Euro 6.9m was achieved. The reason for this fall is the current reluctance of companies to commission IT security projects, with many such projects being postponed. The Business Security business unit made a negative contribution to the Group's EBIT; the figure of Euro -0.1m is down substantially on the year-earlier figure of Euro 0.5m.

The Public Sector division incorporates the Government and High Security business units. Broadly speaking, the Government business unit addresses the IT security issues that arise in all e-government applications. These include biometrics and electronic ID documents, health services, secure web solutions and security validation. Government posted year-on-year revenue growth of 40% for the first nine months of 2009, rising from Euro 8.6m to Euro 12.0m. This sharp increase can be attributed to secunet's excellent positioning as a government advisor in the area of IT security, which ensures ongoing demand. A major, long-term infrastructure project is another factor. The increased product revenue from this project has led to increasing material costs. EBIT for the Government business unit fell from Euro 1.1m for the period from January to September 2008 to Euro 1.0m in the current year.

The High Security business unit supplies authorities, the armed forces and international organisations with the Secure Inter-Network Architecture, *S/NA*. The *S/NA* range of products supports secure and encrypted transmission, processing and storage of data. The business unit posted revenue of Euro 18.2m in the first nine months of 2009, an increase of 6% compared with the previous year. High Security therefore contributed 49% of the total group revenue. EBIT for the business unit in the period from January to September 2009 amounted to Euro -0.2m, compared with Euro 0.3m in the previous year.

The activities of the Automotive business unit and the general and administrative areas are reported together under "Other segments". EBIT for this segment amounted to Euro -1.3m in the first nine months of 2009.

ASSETS AND FINANCIAL POSITION

The balance sheet as at 30 September 2009 showed a decline of Euro 7.6m in cash and cash equivalents, from Euro 15.9m to Euro 8.3m, compared with the end of 2008. This can be attributed to a decline as at the reporting date in trade payables, an increase in trade receivables and changes in provisions.

The reduction in short-term current assets and provisions is also reflected in the cash flow from operating activities for the first nine months of 2009, which amounted to Euro -6.8m compared with the year-earlier figure of Euro -2.9m. Cash flow from investing activities (Euro -0.7m in the period from January to September 2009, compared with Euro -0.7m a year earlier) and cash flow from financing activities (Euro 0.06m in the first nine months of 2009, compared with Euro 0.2m during the same period in the previous year) had a relatively marginal effect in comparison. This resulted in total cash flow of Euro -7.5m (previous year: Euro -3.4m).

CAPITAL EXPENDITURE

Euro 0.6m was invested in purchasing and replacing hardware, software licences and office equipment in the first nine months of 2009. Capital expenditure scarcely changed compared with the year-earlier figure of Euro 0.6m.

EMPLOYEES

As at 30 September 2009, the number of secunet Group employees was 280. This represents an increase in headcount of 17 people or 6% compared with the same reporting date in the previous year. The positions filled were mainly in the advisory, development and sales areas.

OPPORTUNITIES AND RISKS

Since the end of the 2008 financial year there has been no change in the principal opportunities and risks as described in the Annual Report for 2008.

OUTLOOK

Products and solutions in the area of IT security continue to form the backbone of a reliable IT infrastructure, and this is borne out by the constant reports of attacks and damage. In this context, further steady market growth can be expected, particularly for e-government and high security applications. secunet is superbly positioned in both of these market areas. Demand for IT security in private sector companies will also rise again, however, once the current weak period has passed. This positive environment provides the basis for a positive outlook as regards the future performance of the secunet Group. This optimism is reinforced by the company's high volume of orders: as at 30 September 2009 this amounted to Euro 31.0m, an increase of 40% or Euro 8.8m compared with the same reporting date in the previous year.

Forward-looking statements

This Interim Report as at 30 September 2009 contains statements regarding the future performance of secunet Security Networks AG and economic and political developments. These statements are opinions that we have formed based on the information currently available to us. If the underlying assumptions are not met or other risks arise, actual results may differ from our expectations. We cannot therefore offer any guarantee as to the accuracy of these statements.

Summary group interim report as at 30 September 2009

Consolidated Balance Sheet of secunet Security Networks AG (IFRS)

Assets in Euro	30 Sep 2009	31 Dec 2008
Current assets		
Cash and cash equivalents	8,347,292.73	15,893,029.65
Trade receivables	15,995,375.97	14,181,198.53
Intercompany receivables	78,270.76	855,746.86
Inventories	1,804,431.53	1,482,968.70
Other current assets	251,035.88	90,956.16
Current tax assets	297,238.03	103,552.43
Total current assets	26,773,644.90	32,607,452.33
Non-current assets		
Property, plant and equipment	1,417,374.89	1,330,371.97
Intangible assets	142,926.37	205,288.42
Goodwill	2,950,000.00	2,950,000.00
Non-current financial instruments	920,810.76	798,777.32
Deferred tax assets	1,436,599.72	1,494,500.47
Total non-current assets	6,867,711.74	6,778,938.18
Total assets	33,641,356.64	39,386,390.51
Liabilities in Euro	30 Sep 2009	31 Dec 2008
Current liabilities		
Trade payables	3,411,035.66	9,226,774.26
Intercompany payables	0.00	73,244.50
Other provisions	3,677,079.09	3,127,891.73
Current tax liabilities	0.00	215,957.00
Other current liabilities	831,261.49	1,189,513.58
Deferred income	1,137,426.26	769,585.37
Total current liabilities	9,056,802.50	14,602,966.44
Non-current liabilities		
Deferred tax liabilities	0.00	24,025.18
Provisions for pensions	1,402,290.50	1,285,733.00
Total non-current liabilities	1,402,290.50	1,309,758.18
Equity		
Share capital	6,500,000.00	6,500,000.00
Capital reserves	21,922,005.80	21,922,005.80
Treasury shares	-103,739.83	-103,739.83
Net accumulated losses	-5,085,492.07	-4,826,253.33
Accumulated other comprehensive income/loss	-50,510.26	-18,346.75
Total equity	23,182,263.64	23,473,665.89
Total liabilities	33,641,356.64	39,386,390.51

Consolidated Income Statement of secunet Security Networks AG (IFRS)

in Euro	1 Jul – 30 Sep 2009	1 Jul – 30 Sep 2008	1 Jan – 30 Sep 2009	1 Jan – 30 Sep 2008
Revenue	11,763,179.73	11,097,764.31	37,234,636.73	33,159,029.37
Other operating income	82,672.92	120,899.69	402,261.74	782,370.71
Cost of purchased materials and services	-4,467,109.41	-4,434,670.68	-14,360,387.95	-12,392,566.92
Staff costs	-4,952,782.53	-4,521,737.54	-15,409,846.34	-13,778,796.07
Depreciation (and amortisation)	-206,091.25	-221,090.45	-598,658.69	-632,884.03
Other operating expenses	-2,964,578.51	-2,117,948.50	-7,758,077.66	-6,824,581.31
Operating profit	-744,709.05	-76,783.17	-490,072.17	312,571.75
Interest income	7,408.40	92,261.68	64,938.71	256,239.47
Interest expense	-1,952.49	-20,462.61	-5,795.64	-31,985.81
Foreign currency gains/losses	118,883.82	-82,959.91	206,271.22	258,086.05
Profit/loss before tax (and minority interests)	-620,369.32	-87,944.01	-224,957.88	794,911.46
Income taxes	71,096.72	13,082.57	-34,280.86	-247,849.39
Loss/profit	-549,272.60	-74,861.44	-259,238.74	547,062.07
Basic earnings per share	-0.08	-0.01	-0.04	0.08
Diluted earnings per share	-0.08	-0.01	-0.04	0.08
Average number of shares outstanding (undiluted)	6,469,502	6,469,502	6,469,502	6,468,459
Average number of shares outstanding (diluted)	6,469,502	6,469,502	6,469,502	6,468,459

Consolidated Statement of Recognised Income and Expenses of secunet Security Networks AG (IFRS)

Consolidated statement of recognised income and expenses for the period from	1 Jul – 30 Sep 2009	1 Jul – 30 Sep 2008	1 Jan – 30 Sep 2009	1 Jan – 30 Sep 2008
Loss/profit	-549,272.60	-74,861.44	-259,238.74	547,062.07
Currency translation differences (change not recognised in profit and loss)	-18,779.00	2,512.90	-32,163.51	-20,795.44
Total recognised income and expenses (comprehensive income/loss)	-568,051.60	-72,348.54	-291,402.25	526,266.63

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

in Euro	Share capital	Capital reserves	Treasury shares	Net accumulated losses	Accumulated other comprehensive income/loss	Total
Equity at 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
Comprehensive income/loss 1 Jan – 30 Sep 2008				547,062.07	-20,795.44	526,266.63
Equity at 30 Sep 2008	6,500,000.00	21,922,005.80	-103,739.83	-6,008,601.10	-42,544.38	22,267,120.49
Comprehensive income/loss 1 Oct – 31 Dec 2008				1,182,347.77	24,197.63	1,206,545.40
Equity at 31 Dec 2008	6,500,000.00	21,922,005.80	-103,739.83	-4,826,253.33	-18,346.75	23,473,665.89
Comprehensive income/loss 1 Jan – 30 Sep 2009				-259,238.74	-32,163.51	-291,402.25
Equity at 30 Sep 2009	6,500,000.00	21,922,005.80	-103,739.83	-5,085,492.07	-50,510.26	23,182,263.64

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

in Euro	1 Jan – 30 Sep 2009	1 Jan – 30 Sep 2008
Cash flow from operating activities		
Earnings before tax (EBT)	-224,957.88	794,911.46
Depreciation and amortisation	598,658.69	632,884.03
Change in provisions	665,744.86	-932,692.31
Interest result	-58,843.07	-224,253.66
Change in receivables, other assets and prepaid expenses	-1,518,243.89	-1,393,308.31
Change in payables and deferred income	-5,879,799.59	-1,611,277.33
Tax paid	-409,642.60	-193,977.00
Net cash generated from operating activities	-6,827,083.48	-2,927,713.12
Cash flow from investing activities		
Purchases of intangible assets and of property, plant and equipment	-623,299.56	-572,242.07
Purchases of financial assets	-122,033.44	-79,671.43
Net cash used in investing activities	-745,333.00	-651,913.50
Cash flow from financing activities		
Interest received	64,638.71	256,239.47
Interest paid	-5,795.64	-31,985.81
Cash generated from financing activities	58,843.07	224,253.66
Effects of exchange rate changes on cash and cash equivalents	-32,163.51	-20,795.44
Net increase/decrease in cash and cash equivalents	-7,545,736.92	-3,376,168.40
Cash and cash equivalents at the beginning of the period	15,893,029.65	10,908,588.36
Cash and cash equivalents at the end of the period	8,347,292.73	7,532,419.96

Explanatory report

The interim report of secunet Security Networks AG dated 30 September 2009 was compiled in accordance with the International Accounting Standard (IAS) 34 "Interim Report".

Accounting principles

The consolidation principles and currency translation method for the period from 1 January to 30 September 2009 were in accordance with those in the company's consolidated annual accounts for the 2008 financial year. The accounting and valuation methods were retained. The consolidated financial statements of secunet Security Networks AG as at 30 September 2009 were produced on the basis of 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, statement of recognised income and expenses, cash flow statement and statement of changes in equity correspond to the normal course of business at secunet.

A tax rate of 31,4% applies to the calculation of income taxes for national companies. Calculation of tax payable on income for foreign companies is based on the relevant rates of tax for those countries.

The preparation of the interim report requires a series of assumptions and estimates on the part of the management. As a result, it may be that the figures reported in the interim report will deviate from the actual figures.

Consolidated group

In addition to secunet Security Networks AG, all subsidiaries over which secunet has the power to govern the financial and operating policies are included in the consolidated financial statements. In the reporting period and in the 2008 financial year, there were no minority interests in equity or in the profit or loss for the respective period.

Compared with 31 December 2008, the consolidated group was unchanged as at 30 September 2009.

Treasury shares

As at 30 September 2009, the company held 30,498 treasury shares, the same figure as at 31 December 2008; this equates to 0.5 per cent of its share capital.

Segment reporting

The secunet Group is divided into the Public Sector division, made up of the High Security and Government business units, and the Private Sector division, made up of the Business Security and Automotive business units. The High Security, Government and Business Security business units are shown separately for the purposes of segment reporting, as they meet at least one of the quantitative thresholds defined in IFRS 8.13. The Automotive business unit does not meet any of the quantitative thresholds laid down in IFRS 8.13 and is therefore reported together with general and administrative areas under "Other segments".

The High Security business unit addresses the highly complex security requirements of authorities, the armed forces and international organisations. At the core of its product range is the Secure Inter-Network Architecture, *S/NA*, developed in conjunction with the Federal Office for Information Security (Bundesamt für Sicherheit in der Informationstechnik, BSI).

The Government business unit supports authorities in Germany and abroad in all areas relating to e-government and IT security. These include biometric solutions and electronic ID (eID) documents, the electronic healthcare card (eHealth), security validation and secure web solutions. This business unit operates a BSI-certified evaluation laboratory for IT conformity.

The staff of the Business Security business unit focus on security issues affecting industrial companies. Its product range includes identity management systems, qualified mass signature solutions, public key infrastructures and network security. In all areas, analyses, consulting and complete solutions are tailored to each customer's specific requirements.

The Automotive business unit deals with the IT security issues facing automotive manufacturers. With more and more vehicle functions now being computerised, it is becoming increasingly important for both automotive manufacturers and suppliers to ensure that built-in hardware and software components are protected against unauthorised changes.

Segment report 9M 2009 in kEuro	Business Security	Government	High Security	Other Segments	Reconciliation	secunet 9M 2009
Segment revenue external	6,353	12,036	18,204	737	-95	37,235
Segment revenue internal	1,293	266	17	277	-1,852	0
Segment result (EBIT)	-73	985	-163	-1,306	65	-490

Segment report 9M 2008 in kEuro	Business Security	Government	High Security	Other Segments	Reconciliation	secunet 9M 2009
Segment revenue external	6,855	8,590	17,208	1,128	-622	33,159
Segment revenue internal	46	0	205	212	-462	0
Segment result (EBIT)	498	1,137	257	-1,658	78	313

There were no significant changes to the segment assets.

Transactions with related persons and companies

The consolidated companies within the secunet Group have an association with their main shareholders, Giesecke & Devrient GmbH, Munich, and RWTÜV AG, Essen (in the first half of 2009 – RWTÜV AG sold its share in secunet Security Networks AG to Giesecke & Devrient GmbH in July 2009), in the course of their normal business activities. All transactions are conducted in accordance with normal market practice. The income statement includes revenue and other operating income of Euro 1.2m arising from business transactions with these companies. Expenses total Euro 0.1m. Receivables of Euro 0.1m due from affiliated companies belonging to the Giesecke & Devrient Group are recorded in the balance sheet. There were no payables due to affiliated companies belonging to the Giesecke & Devrient Group at the balance sheet date.

In the first nine months of 2009, no Management Board members were promised or granted any benefits by a third party in respect of their activity as members of the Management Board. In the first nine months of 2009, the members of the Supervisory Board did not receive any other remuneration (over and above the Supervisory Board remuneration as regulated in the Articles of Association of secunet Security Networks AG) or benefits for services provided personally, in particular consulting and agency services. Neither the members of the Management Board nor the members of the Supervisory Board received any loans from the company.

Events after the end of the interim period

There were no significant events after the reporting date.

Financial Calendar 2009

6 November

9-Month-Report 2009

10 November

German Equity Forum

Issued by

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This 9-Month-Report is also available in German. In the event of conflicts the German-language-version shall prevail.