

- Revenue continues to grow strongly: up 19% on previous year
- EBIT positive in first quarter
- Volume of orders remains at high level
- Outlook for FY 2010 unchanged

Q1

Overview of the key figures for the first three months

	Q1 2010	Q1 2009 Amended	Change in%
Revenue (kEuro)	13,258	11,186	+19%
EBIT (kEuro)	128	-217	-/-
EBT (kEuro)	305	-302	-/-
Profit/loss for the period (Euro)	185	-208	-/-
Earnings per share for the period (Euro)	0.03	-0.03	-/-
Cash flow from operating activities (kEuro)	-2,273	-6,450	+65%
Capital expenditure (kEuro)	303	210	+44%
Orders on hand (Euro m)	25.9	30.3	-15%
Employees (as at 31 March)	289	267	+ 8%

	31 Mar 2010	31 Mar 2010 Amended	Change in%
Cash and cash equivalents (kEuro)	12,307	14,669	-16%
Equity (kEuro)	23,623	23,210	+2%
Equity ratio (in %)	68%	53%	+15 percentage points
Loans (kEuro)	0.0	0.0	-/-

secunet share data

Reuters	YSNG.DE
Bloomberg	YSN
WKN	727650
ISIN	DE0007276503

	31 Mar 2010	31 Mar 2009
Price (Euro)	9.37	3.60
Number of shares	6,500,000	6,500,000
Market capitalisation (Euro)	60,905,000	23,400,000
52W high/low (Euro)	H: 10.18/T: 3.55	H: 5.71/T: 3.10

	Q1 2010	Q1 2009
Average daily XETRA trading volume	2,417	1,844

Interim management report for the first quarter of 2010

Contrary to the original schedule, which envisaged publication on 12 May 2010, the interim management report of secunet Security Networks AG for the first quarter of 2010 was not published until 16 July 2010. This delay in publication was due to a need to adjust the 2009 figures of the secunet Group.

These adjustments were required because secunet Security Networks AG found a need for correction in relation to the Annual Financial Statements of its Czech subsidiary secunet s.r.o. in Prague as at 31 December 2009. There was also a need to adjust the value of the receivables with secunet s.r.o. in the 2009 Annual Financial Statements of secunet Security Networks AG.

With the aim of achieving maximum transparency and ensuring comprehensive, up-to-date and relevant information is provided to recipients, secunet Security Networks AG decided to correct the Annual Financial Statements and the Consolidated Financial Statements for the 2009 financial year. These corrections were documented in a corrected and updated version of the 2009 Annual Report of secunet Security Networks AG and published on 16 July 2010.

The amended figures for 2009 were incorporated into this 3-month report for 2010 of secunet Security Networks AG, which was therefore also published on 16 July 2010.

REVENUE PERFORMANCE

The revenue of the secunet Group rose by 19% or Euro 2.1m from Euro 11.2m to Euro 13.3m in the first quarter of 2010 compared to the prior-year figure.

This increase can be attributed primarily to the *High Security* business unit, in which the *SINA* product line is marketed. The first quarter of 2010 was characterised not only by particularly large individual projects that had been acquired in previous years, but also by numerous smaller procurements. This reflects the fact that the company has now achieved market maturity with the *SINA* product line, making it possible to generate sustained high revenue in its core business. Growth continues to be driven by large projects.

The strong rise in group revenue compared to the same quarter in the previous year is all the more striking given that the first and second quarters have historically been a period of weak revenue for secunet.

RESULTS OF OPERATIONS

The secunet Group ended the first quarter of 2009 with earnings before interest and tax (EBIT) of Euro -0.2m; by contrast, it achieved EBIT of Euro 0.1m over the first 3 months of 2010. This is due to the fact that most expense items increased only moderately and at a disproportionately low rate compared to the rise in revenue:

Costs of purchased materials and services rose most sharply, climbing by 18% from Euro 4.7m to Euro 5.6m. The increasing share of revenue from the product business, which uses bought-in hardware, had an impact here.

Personnel expenses rose by around 12% from Euro 5.1m to Euro 5.7m. This essentially corresponds to the increase in headcount.

Depreciation and amortisation increased by 15% or kEuro 30 from Euro 0.19m to Euro 0.22m. This was due to a larger inventory of capital goods and the acquisition of so called low-value assets.

Other operating expenses were up by 3.8% or kEuro 90 from Euro 2.4m to Euro 2.5m. This essentially reflects the general rate of inflation.

Expense items rose by 13% overall, from Euro 12.4m in the first quarter of 2009 to Euro 14.0m in the first quarter of 2010, thereby creating the scope for the improvement in EBIT.

The financial result was marked by falling interest income and expenses as a result of the generally low level of interest rates. At the same time, fluctuations in exchange rates led to an unrealised foreign currency gain of kEuro 165 in the first 3 months of 2010, a clear improvement on the unrealised foreign currency loss of kEuro -125 recorded in the first quarter of 2009.

This substantial improvement in the financial result saw earnings before tax (EBT) rise even more strongly than EBIT: EBT was up from Euro -0.3m in the first quarter of 2009 to Euro 0.3m in the first three months of the current year. Tax expense rose markedly as a result of the improvement in EBT. Profit for the period from January to March 2010 amounted to Euro 0.2m, compared with a loss of Euro -0.2m in the same period last year. Earnings per share rose from Euro -0.03 in the previous year to Euro 0.03 in the first quarter of 2010.

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. This division generated 85% of the revenue of the secunet Group in the first quarter of 2010, up slightly on the contribution in the previous year (80%).

Of the total group revenue, 15% (previous year: 20%) was generated in the *Private Sector* division, which addresses the IT security needs of companies in private industry. This division comprises the business units *Business Security* (13% of group revenue in Q1 2010) and *Automotive* (2% of group revenue), which is reported under "Other segments". The *Business Security* business unit generated revenue of Euro 1.7m in the first quarter of 2010, compared with Euro 2.1m in the first three months of 2009. This represents a decline of Euro 0.4m or 19%. Aside from the fact that reporting figures for project-based business on a quarterly basis can easily lead to inaccuracies or substantial deviations, this result demonstrates the impact of the financial and economic crisis on secunet's business: many private sector companies are cutting back their IT security spending.

The *Business Security* business unit made a negative contribution to group EBIT: after a figure of kEuro -51 in Q1 2009, EBIT in the first quarter of 2010 amounted to kEuro -276. This change is attributable to the decline in revenue coupled with only a slight drop in overall expenses within the business unit.

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. First-quarter revenue in this business unit fell by 3% from Euro 4.2m in 2009 to Euro 4.1m in 2010. This result was mainly influenced by corrections relating to the consolidated Czech subsidiary secunet s.r.o., whose revenue has largely been attributed to the *Government* business unit. Following a positive contribution of kEuro 607 to group EBIT in Q1 2009, the *Government* business unit posted an EBIT figure of kEuro 144 in the first quarter of 2010. As in the *Business Security* business unit, the decline in EBIT can be attributed to lower revenue combined with a simultaneous rise in overall expenses.

The *High Security* business unit supplies authorities, the armed forces and international organisations with the *S/NA* product line. The business unit's contribution to group revenue was Euro 7.2m or 54%. Revenue in the *High Security* business unit rose by 49% compared with the previous year. Follow-up orders resulting from major projects as well as a large number of individual procurements had an impact here. Due to the substantial increase in the cost of purchased materials resulting from the growth of the product business, the EBIT contribution of this business unit improved by only a disproportionately small amount, rising from kEuro -447 in Q1 2009 to kEuro 136 in the first quarter of 2010.

"Other segments" made a negative contribution of kEuro 63 to group revenue, with general and administrative expenses having an impact here.

ASSETS AND FINANCIAL POSITION

Cash and cash equivalents was the item on secunet Security Networks AG's balance sheet that changed significantly in the first quarter of 2010. As at the reporting date of 31 March 2010, this was down Euro 2.4m or 16% compared with the reporting date of 31 December 2009. There are two reasons for this change. First of all, variable compensation components are paid out in the first quarter. This corresponds with a reduction in other provisions. At the same time, current assets (balance of receivables and payables) increased slightly: invoices that had been issued at the end of the year were settled in the first quarter.

There were no significant changes in the other balance sheet items of secunet Security Networks AG.

secunet has not taken out any loans, so the debt/equity ratio is 0%.

Cash flow from operating activities was Euro -2.3m in the period from January to March 2010, compared with Euro -6.5m a year earlier. The difference compared with the previous year can be explained by the improvement in earnings (Euro +0.6m), the larger volume of provisions released (Euro -1.5m) and the increase in current assets (Euro +5.2m).

CAPITAL EXPENDITURE

secunet's capital expenditure is mainly for the purchase and replacement of hardware, software and other business equipment. Around kEuro 303 was spent in the first quarter of 2010, compared with kEuro 210 in the first quarter of 2009. This increase is linked to the rise in the number of employees and various projects to improve internal IT equipment.

EMPLOYEES

As at 31 March 2010, the number of secunet Group employees was 289. This represents an increase in headcount of 22 people or 8% compared with the same reporting date in the previous year. The positions filled were mainly in the advisory, development and sales areas.

ORDER BOOK

At Euro 25.9m, secunet Security Networks AG's order book remained at a high level as at 31 March 2010. The volume of orders was down 15% compared with the same reporting date in the previous year (Euro 30.3m). This is due to the large projects currently in progress.

OUTLOOK

IT security is a growth market. secunet Security Networks AG's business in this market is following this trend over the long term. The key driver for the *Business Security* business unit in 2010 is once again the willingness of companies to invest in IT security consulting and technologies, while the investment behaviour of *Public Sector* customers is the crucial factor for the *Government* and *High Security* business units. Whereas *SINA* procurement in the *High Security* business unit is oriented more towards the long term, demand for IT security in the *Government* business unit is shaped both by the current debate surrounding savings and budget consolidation (which are detrimental to demand) and by major infrastructure projects (which stimulate demand). secunet Security Networks AG's short-term performance is also strongly influenced by the fact that its business is heavily project-based. Taking these aspects into account, the Management Board is maintaining its forecast for the current year: it expects ongoing stable revenue and no change in earnings before interest and tax compared with the previous year.

Forward-looking statements

This 3-month report 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 interim report for the first quarter of 2010

Consolidated Balance Sheet of secunet Security Networks AG (IFRS)

Assets in Euro	31 Mar 2010	31 Mar 2010*
Current assets		
Cash and cash equivalents	12,307,486.06	14,669,268.94
Trade receivables	13,040,013.06	20,421,737.09
Intercompany receivables	453,535.13	835,033.11
Inventories	1,859,542.78	1,099,332.02
Other current assets	729,562.49	229,611.56
Current tax assets	36,920.11	36,920.11
Total current assets	28,427,059.63	37,291,902.83
Non-current assets		
Property, plant and equipment	1,436,229.94	1,467,290.48
Intangible assets	320,175.27	207,374.26
Goodwill	2,950,000.00	2,950,000.00
Non-current financial instruments	1,037,977.09	1,011,725.61
Deferred tax assets	461,330.21	581,141.30
Total non-current assets	6,205,712.51	6,217,531.65
Total assets	34,632,772.14	43,509,434.48
Liabilities in Euro	31 Mar 2010	31 Mar 2010*
Current liabilities		
Trade payables	3,776,796.25	10,060,261.34
Intercompany payables	5,842.90	0.00
Other provisions	2,656,726.88	5,456,110.17
Current tax liabilities	167,800.00	167,800.00
Other current liabilities	1,643,703.36	2,047,484.11
Deferred income	1,231,609.02	1,041,401.68
Total current liabilities	9,482,478.41	18,773,057.30
Non-current liabilities		
Deferred tax liabilities	25,707.47	25,707.47
Provisions for pensions	1,500,626.78	1,500,760.36
Total non-current liabilities	1,526,334.25	1,526,467.83
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
Group loss carryforward	-5,127,020.82	-7,536,158.03
Profit for the period	185,373.59	2,409,137.21
Accumulated other comprehensive income/loss	247,340.74	18,664.20
Total equity	23,623,959.48	23,209,909.35
Total liabilities	34,632,772.14	43,509,434.48

* in accordance with Annual Report 2010 corrected and updated version

Consolidated Income Statement of secunet Security Networks AG (IFRS)

in Euro	1 Jan – 31 Mar 2010	1 Jan – 31 Mar 2009 Amended
Revenue	13,257,843.90	11,186,103.74
Other operating income	876,250.88	1,030,206.68
Cost of purchased materials and services	-5,580,645.13	-4,735,173.52
Personnel expenses	-5,721,243.90	-5,113,396.45
Depreciation and amortisation	-221,115.77	-192,267.01
Other operating expenses	-2,482,764.25	-2,392,172.77
Operating profit	128,325.73	-216,699.33
Interest income	12,479.78	42,992.50
Interest expense	-856.76	-2,039.75
Foreign currency gains/losses	165,347.56	-125,844.39
Profit/loss before tax (and minority interests)	305,296.31	-301,590.97
Income taxes	-119,922.72	93,628.76
Profit/loss for the period	185,373.59	-207,962.21
Earnings per share (diluted and undiluted)	0.03	-0.03
Average number of shares outstanding (undiluted, diluted)	6,469,502	6,469,502.00

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSES FOR THE PERIOD

in Euro	1 Jan – 31 Mar 2010	1 Jan – 31 Mar 2009 Amended
Profit/loss for the period	185,373.59	-207,962.21
Currency translation differences (change not recognised in profit and loss)	228,676.54	317,547.22
Total recognised income and expenses (comprehensive income/loss)	414,050.13	109,585.01

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 2008	6,500,000.00	21,922,005.80	-103,739.83	-7,536,158.03	47,838.86	20,829,946.80
Comprehensive income/loss 1 Jan – 31 Mar 2009				-207,962.21	317,547.22	109,585.01
Equity at 31 Mar 2009	6,500,000.00	21,922,005.80	-103,739.83	-7,744,120.24	365,386.08	20,939,531.81
Comprehensive income/loss 1 Apr – 31 Dec 2009				2,617,099.42	-346,721.88	2,270,377.54
Equity at 31 Dec 2009	6,500,000.00	21,922,005.80	-103,739.83	-5,127,020.82	18,664.20	23,209,909.35
Comprehensive income/loss 1 Jan – 31 Mar 2010				185,373.59	228,676.54	414,050.13
Equity at 31 Mar 2010	6,500,000.00	21,922,005.80	-103,739.83	-4,941,647.23	247,340.74	23,623,959.48

Consolidated Cash Flow Statement of secunet Security Networks (IFRS)

in Euro	1 Jan – 31 Mar 2010	1 Jan – 31 Mar 2009 Amended
Cash flow from operating activities		
Earnings before tax (EBT)	305,296.31	-301,590.97
Depreciation and amortisation	221,115.77	192,267.01
Change in provisions	-2,679,705.78	-1,134,361.18
Interest result	-11,623.02	-40,952.75
Change in receivables, other assets and prepaid expenses	6,603,677.32	-772,427.68
Change in payables and deferred income	-6,611,006.68	-4,456,013.17
Tax paid	-100,728.64	62,860.54
Net cash generated from operating activities	-2,272,974.72	-6,450,218.20
Cash flow from investing activities		
Purchase of intangible assets and of property, plant and equipment	-302,856.24	-209,829.80
Purchases of financial assets	-26,251.48	-26,251.48
Net cash used in investing activities	-329,107.72	-236,081.28
Cash flow from financing activities		
Interest received	12,479.78	42,992.50
Interest paid	-856.76	-2,039.75
Cash generated from financing activities	11,623.02	40,952.75
Effects of exchange rate changes on cash and cash equivalents	228,676.54	317,547.22
Net increase/decrease in cash and cash equivalents	-2,361,782.88	-6,327,799.51
Cash and cash equivalents at the beginning of the period	14,669,268.94	15,893,029.65
Cash and cash equivalents at the end of the period	12,307,486.06	9,565,230.14

Explanatory report

The interim report of secunet Security Networks AG dated 31 March 2010 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 31 March 2010 were in accordance with those in the company's consolidated annual accounts for the 2009 financial year. The accounting and valuation methods were retained. The consolidated financial statements of secunet Security Networks AG as at 31 December 2009 were produced on the basis of Sections 315 and 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 extraordinary items.

A tax rate of 32.8% 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 2009 financial year, there were no minority interests in equity or in the profit or loss for the respective period.

Compared with 31 December 2009, the consolidated group was unchanged as at 31 March 2010.

Treasury shares / subscription rights

As at 31 March 2010, the company held 30,498 treasury shares, the same figure as at 31 December 2009; this equates to 0.47 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 segments were identified on the basis of the internal reporting structure of the company as set out by the management within the meaning of IFRS 8.5.

The High Security business unit addresses the highly complex security requirements of authorities, the armed forces and international organisations. At the core of its offering is the Secure Inter-Network Architecture, SINA, 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, health services (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 line includes security analyses and information security management, electronic signature and B2B integration, single sign-on 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 Q1 2010 kEuro	Business Security	Government	High Security	Other segments	Recon- ciliation	secunet Q1 2010
Segment revenue external	1,668	4,075	7,178	363	-26	13,258
Segment revenue internal	488	0	0	0	-488	0
Segment result (EBIT)	-178	144	136	-63	89	128
Goodwill	838	773	1,339	0	0	2,950
Depreciation and amortisation	-47	-19	-69	-136	49	-221
Significant expenses						
Personnel expenses	-1,360	-1,588	-1,498	-1,272	-3	-5,721
Cost of materials	-336	-1,042	-4,127	-133	58	-5,581

Segment report Q1 2009 kEuro	Business Security	Government	High Security	Other segments	Recon- ciliation	secunet Q1 2009
Segment revenue external	2,070	4,199	4,815	179	-76	11,186
Segment revenue internal	418	36	9	133	-596	0
Segment result (EBIT)	-51	607	-447	-383	44	-229
Goodwill	838	773	1,339	0	0	2,950
Depreciation and amortisation	-38	-14	-43	-146	49	-192
Significant expenses						
Personnel expenses	-1,221	-1,340	-1,325	-1,227	0	-5,113
Cost of materials	-875	-1,153	-2,702	-170	165	-4,735

There were no significant changes to the segment assets as at the reporting date.

Related party disclosures

The consolidated companies within the secunet Group have an association with their main shareholder, Giesecke & Devrient GmbH, Munich, in the course of their normal business activities. All transactions are conducted in accordance with normal market practice.

In the first three months of 2010, 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 three months of 2010, 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

Please refer to our introductory remarks for an explanation of why the publication of this interim report has been delayed. There were no other significant events after the reporting date.

Since the end of the 2009 financial year there have been no changes in the principal opportunities and risks as described in the corrected and updated 2009 Annual Report.

Financial Calendar 2010

16 July	Corrected Annual Report 2009
16 July	3-Month Report 2010
13 August	Half-Year Financial Report 2010
25 August	Annual General Meeting
10 November	9-Month Report 2010
23 November	German Equity Forum 2010

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