

9-Month Report 2010

secunet

- Growth trend continues:
+ 8 % on previous year's revenue
- EBIT positive:
considerable improvement on previous year
- Outlook for 2010 as a whole unchanged

Q3

Overview of the key figures for the first nine months

| | 9M 2010 | 9M 2009 (amended*) | Change in % |
|---|---------|-----------------------|----------------|
| Revenue (kEuro) | 38,437 | 35,600 | +8.0% |
| EBIT (kEuro) | 241 | -1,258 | +119% |
| EBT (kEuro) | 304 | -993 | +131% |
| Profit/loss for the period (kEuro) | -66 | -1,027 | +94% |
| Earnings per share for the period (Euro) | -0.01 | -0.16 | +94% |
| Cash flow from operating activities (kEuro) | -1,581 | -6,638 | -76% |
| Capital expenditure (kEuro) | 1,077 | 745 | +44% |
| Orders on hand (Euro m) | 21.4 | 31.0 | -31% |
| Employees (as at 30 September) | 290 | 280 | +4% |

| | 30 Sep 2010 | 31 Dec 2009 (amended**) | Change in % |
|-----------------------------------|-------------|----------------------------|-------------------------|
| Cash and cash equivalents (kEuro) | 12,006 | 14,669 | -18% |
| Equity (kEuro) | 23,110 | 23,209 | -0.4% |
| Equity ratio (in %) | 65.7% | 53.3% | +12.4 percentage points |
| Loans (kEuro) | 0.0 | 0.0 | -/- |

Overview of the key figures for the third quarter

| | Q3 2010 | Q3 2009 (amended*) | Change in % |
|--|---------|-----------------------|----------------|
| Revenue (kEuro) | 12,613 | 10,129 | +25% |
| EBIT (kEuro) | 374 | -1,513 | +125% |
| EBT (kEuro) | 419 | -1,388 | +130% |
| Profit/loss for the period (kEuro) | 99 | -1,317 | +108% |
| Earnings per share for the period (Euro) | 0.02 | -0.20 | +108% |

secunet share data

| | | |
|-----------|--------------|--|
| Reuters | YSNG,DE | |
| Bloomberg | YSN | |
| WKN | 727650 | |
| ISIN | DE0007276503 | |

| | 30 Sep 2010 | 30 Sep 2009 |
|------------------------------|------------------|-----------------|
| Price (Euro) | 10.95 | 5.95 |
| Number of shares | 6,500,000 | 6,500,000 |
| Market capitalisation (Euro) | 71,175,000 | 38,675,000 |
| 52W high/low (Euro) | H: 12.39/L: 5.95 | H: 6.16/L: 3.10 |

| | 9M 2010 | 9M 2009 |
|------------------------------------|---------|---------|
| Average daily XETRA trading volume | 2,376 | 3,966 |

* adjusted following an impairment investigation at secunet s.r.o., Prague

** corrected and updated in line with the 2009 Annual Report

Interim Group Management Report for the first nine months of 2010

Preliminary note: last year's figures adjusted

In its Interim Management Report for the first quarter of 2010 (published on 16 July 2010) and the half-year report on the first half of 2010 (published on 13 August 2010), secunet Security Networks reported a need for correction in relation to the Annual Financial Statements of its Czech subsidiary secunet s.r.o., Prague, as at 31 December 2009. This need for correction had been determined at the end of April 2010 and also meant that there was a need to recognise an impairment charge on the value of secunet Security Networks AG's receivables with secunet s.r.o.

The background to this adjustment was the discovery that the managing director of secunet s.r.o., who has since been dismissed, had been employing forged documents and records to systematically misrepresent and conceal the true asset and earnings position of secunet s.r.o. over a number of years. secunet Security Networks reacted to this discovery immediately and promptly relieved the managing director of secunet s.r.o. of all his duties. In addition, the Management Board commissioned the auditors KPMG AG to conduct a thorough investigation into the events at secunet s.r.o.

At the same time secunet Security Networks AG revised its 2009 Annual Financial Statements and Consolidated Financial Statements, and the Combined Management Report for the company and the group was updated accordingly in the interests of providing transparent, comprehensive and up-to-date information to all recipients of the Financial Statements.

The errors unearthed by the KPMG special investigation into secunet s.r.o., Prague, have been duly corrected in the respective income statement items for the reference year 2009. The corresponding allocation to the relevant income statement items in the individual quarters can no longer be fully determined for the 2009 comparison figures. In accordance with IAS 8, Note 50, identified net banking differences have therefore been recognised under other operating income. As a result, the figures listed in last year's interim financial statements and included in this 9-Month Report have been amended (listed as "amended" figures). These year-earlier figures replace those reported in the 2009 9-Month Report.

REVENUE PERFORMANCE

The secunet group generated revenue of Euro 38.4m in the first nine months of 2010, an increase of 8% or Euro 2.8m compared with the previous year (Euro 35.6m).

Group revenue experienced strong growth in the third quarter of 2010, rising by 25% from Euro 10.1m in the previous year to Euro 12.6m in the current year. This meant that the revenue fluctuations observed in the first half of the year (Q1 +19% year-on-year, Q2 -2.4% year-on-year) therefore reverted to a positive direction. These fluctuations are the result of secunet's project-based business, which is subject to periodic fluctuations in capacity utilisation.

RESULTS OF OPERATIONS

The secunet group finished the first nine months of 2010 with earnings before interest and taxes (EBIT) of Euro 0.2m, compared with Euro -1.3m in the previous year. This was primarily due to the significant increase in other operating income, but also to a moderate increase in expense items, which rose by 6% from Euro 37.3m to Euro 39.6m, slightly below the increase in revenue.

Other operating income increased year-on-year from Euro 0.4m to Euro 1.4m.

Costs of materials and purchased services increased by 6% compared with the previous year in the January to September 2010 period, from Euro 13.2m to Euro 14.1m, which was in line with revenue growth. Personnel expenses increased by 7% from Euro 15.4m in the first nine months of 2009 to Euro 16.4m in the same period in 2010, which correlates directly to the increase in the workforce.

The largest relative increase was in depreciation and amortisation, up by 20%, although this represents an absolute increase of only kEuro 118. This was due to a larger inventory of capital goods and the acquisition of low-value assets.

Other operating expenses rose by 5% or kEuro 379, from Euro 8.0m in the first nine months of 2009 to Euro 8.4m in the same period of 2010.

The financial result for the first nine months of 2010 declined from kEuro 265 to kEuro 63 compared with the same period last year. This reflected both declining interest income and large unrealised foreign currency losses.

For these reasons, profit before tax was kEuro -993 in January-September 2009 and kEuro +304 over the same period of the current year. There was a significant increase in the tax burden in the first nine months of 2010 compared with the previous year. The tax liability is in excess of earnings before tax, which is due to the non-deductibility of the impairments on secunet AG's loans to its Czech subsidiary. The result for the January-September period is now kEuro -66, from kEuro -1,028 in the previous year, as a consequence of which earnings per share rose from Euro -0.16 to Euro -0.01.

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 81% of the secunet Group's revenue in the first nine months of 2010, unchanged versus the contribution in the previous year.

Of the total group revenue, 19% was generated in the *Private Sector* division, which addresses the IT security needs of service and industrial companies. This division comprises the business units *Business Security* (16% of group revenue in the first nine months of 2010) and *Automotive Security* (3% of group revenue), which is reported under "Other segments". The *Business Security* business unit generated revenue of Euro 6.0m in the first nine months of 2010, compared with Euro 6.4m in the same period of 2009. This represents a decline of Euro 0.4m or 5%. The main reason for the decline in revenue was a reduction in some IT budgets as a result of savings measures instituted by companies responding to the financial and economic crisis of the last two years.

The *Business Security* business unit made a negative contribution to group EBIT: after a figure of kEuro -73 in the January to September 2009 period, EBIT came in at kEuro -57 in the first nine months of 2010. This slight improvement in EBIT was the result of a stronger decline in expenses than in revenue.

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. Revenue in the first nine months of 2010 fell by 16% in this business unit, from Euro 12.0m in the year-earlier period to Euro 10.1m. This result continued to be influenced by corrections relating to the consolidated Czech subsidiary secunet s.r.o., whose revenue is largely attributed to the *Government* business unit. The slightly lower capacity utilisation in the second quarter continued to have a detrimental effect. After making a positive contribution to group EBIT in the amount of kEuro 985 in the first nine months of 2009, the *Government* business unit's contribution in the same period of the current year was a loss of kEuro -105. As in the *Business Security* business unit, the decline in EBIT can be attributed to lower revenue that was not balanced out by cost savings.

The *High Security* business unit supplies authorities, the armed forces and international organisations with the *SINA* product line. The business unit's contribution to group revenue was 55%. Revenue in the *High Security* business unit rose by Euro 3.1m or 17% year-on-year, from Euro 18.2m to Euro 21.3m. Follow-up orders resulting from major projects and a large number of individual procurements had an impact here. The business unit's contribution to group EBIT increased from kEuro -163 in the first nine months of 2009 to kEuro 207 in the same period of 2010.

"Other segments" made a negative contribution of kEuro 380 to group revenue, with general and administrative expenses having an impact on this figure.

ASSETS AND FINANCIAL POSITION

Compared with the situation as at 31 December 2009, there was a decline in secunet Security Networks' total assets of around Euro 8.3m from Euro 43.5m to Euro 35.2m.

On the asset side, this change was due mainly to a decline in cash and cash equivalents, which had fallen by Euro 2.7m or 18% as at the reporting date of 30 September 2010 versus 31 December 2009. At the same time, there was a fall of Euro 7.1m in the high level of receivables by the end of a very strong fourth quarter of 2009 and as a result of invoicing.

This change is matched on the liabilities side in a decrease in other provisions of Euro 1.8m, mainly as a result of the payment of variable compensation components in the first quarter. At the same time, there was a sharp decline in trade payables (down Euro 5.6m) and other liabilities (down Euro 1.2m).

There were no significant changes in secunet Security Networks' other balance sheet items.

secunet has not taken out any loans and therefore reports a debt/equity ratio of 0%.

Cash flow from operating activities was Euro -1.6m in the period from January to September 2010, compared with Euro -6.6m in the same period in the previous year. The difference compared with the previous year can be explained by higher earnings (EUR +1.3m) and an increase in current assets (EUR +6.3m), which was not offset by the increased utilisation of provisions (EUR -2.4m).

CAPITAL EXPENDITURE

secunet invests mainly in the purchase and replacement of hardware, software and other business equipment. Investment rose from kEuro 745 in the first nine months of 2009 to kEuro 1,077 in the same period of 2010. This increase was linked to the headcount growth and various projects to improve internal IT systems.

EMPLOYEES

As at 30 September 2010, the number of secunet Group employees was 290. This represents an overall increase in head-count of ten people or 4% 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

No significant change has occurred to the opportunities and risks described in the corrected and updated 2009 Annual Report since the end of financial year 2009.

ORDER BOOK

As at 30 September 2010, secunet Security Networks' order book stood at Euro 21.4m. The volume of orders was down 31% compared with the same reporting date in the previous year (Euro 31.0m). Once again, this was due to the large projects currently in progress. Orders for new large-scale projects are expected.

OUTLOOK

The business performance of secunet Security Networks mirrors developments in the IT security market, which is expected to grow over the long term. The key driver for secunet's *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 tends to be 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 both detrimental to demand) and by major infrastructure projects (which stimulate demand). secunet's short-term performance is also strongly influenced by the fact that its business is heavily project-based. A particular factor influencing the results of financial year 2010 is the fact that public bodies are deferring major projects as a consequence of continuing restructuring. This is particularly the case for the army, which is a major client.

The Management Board is maintaining its updated guidance of the current year of revenues of around Euro 57m and EBIT in excess of Euro 2m for the secunet Group. The traditionally strong fourth quarter remains decisive in realising this.

Forward-looking statements

This 9-Month Report contains statements regarding the future performance of secunet Security Networks 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.

Condensed interim report as at 30 September 2010

Consolidated Balance Sheet of secunet Security Networks (IFRS)

| Assets in Euro | 30 Sep 2010 | 31 Dec 2009 |
|-----------------------------------|----------------------|----------------------|
| Current assets | | |
| Cash and cash equivalents | 12,006,039.50 | 14,669,268.94 |
| Trade receivables | 13,310,974.05 | 20,421,737.09 |
| Intercompany receivables | 175,027.81 | 835,033.11 |
| Inventories | 2,397,019.84 | 1,099,332.02 |
| Other current assets | 455,830.15 | 229,611.56 |
| Current tax assets | 254,376.67 | 36,920.11 |
| Total current assets | 28,599,268.02 | 37,291,902.83 |
| Non-current assets | | |
| Property, plant and equipment | 1,658,103.01 | 1,467,290.48 |
| Intangible assets | 298,126.96 | 207,374.26 |
| Goodwill | 2,950,000.00 | 2,950,000.00 |
| Non-current financial instruments | 1,090,480.05 | 1,011,725.61 |
| Deferred tax assets | 572,552.28 | 581,141.30 |
| Total non-current assets | 6,569,262.30 | 6,217,531.65 |
| Total assets | 35,168,530.32 | 43,509,434.48 |

| Liabilities in Euro | 30 Sep 2010 | 31 Dec 2009 |
|---|----------------------|----------------------|
| Current liabilities | | |
| Trade payables | 4,484,531.46 | 10,060,261.34 |
| Other provisions | 3,616,622.03 | 5,456,110.17 |
| Current tax liabilities | 359,083.00 | 167,800.00 |
| Other current liabilities | 824,388.79 | 2,047,484.11 |
| Deferred income | 1,123,680.53 | 1,041,401.68 |
| Total current liabilities | 10,445,397.52 | 18,773,057.30 |
| Non-current liabilities | | |
| Deferred tax liabilities | 25,707.47 | 25,707.47 |
| Provisions for pensions | 1,587,150.01 | 1,500,760.36 |
| Total non-current liabilities | 1,612,857.48 | 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 | -65,965.87 | 2,409,137.21 |
| Accumulated other comprehensive income/loss | -15,003.96 | 18,664.20 |
| Total equity | 23,110,275.32 | 23,209,909.35 |
| Total liabilities | 35,168,530.32 | 43,509,434.48 |

Consolidated Income Statement of secunet Security Networks (IFRS)
(including the statement of comprehensive income)

| in Euro | 01 Jul–30 Sep 2010 | 01 Jul–30 Sep 2009 amended | 01 Jan–30 Sep 2010 | 01 Jan–30 Sep 2009 amended |
|---|-------------------------------|---|-------------------------------|---|
| Revenue | 12,612,582.89 | 10,128,647.03 | 38,436,902.54 | 35,600,104.03 |
| Other operating income | 270,428.36 | 82,672.92 | 1,394,200.29 | 402,261.74 |
| Cost of purchased materials and services | -4,420,970.19 | -3,351,228.67 | -14,075,674.22 | -13,244,507.21 |
| Personnel expenses | -5,045,662.79 | -4,952,782.53 | -16,412,091.14 | -15,409,846.34 |
| Depreciation and amortisation | -252,430.70 | -206,091.25 | -716,482.74 | -598,658.69 |
| Other operating expenses | -2,789,902.79 | -3,213,956.17 | -8,386,354.62 | -8,007,455.32 |
| Operating profit | 374,044.78 | -1,512,738.67 | 240,500.11 | -1,258,101.79 |
| Interest income | 12,297.75 | 7,408.40 | 34,846.31 | 64,638.71 |
| Interest expense | -3,065.90 | -1,952.49 | -6,471.59 | -5,795.64 |
| Foreign currency gains/losses | 35,608.17 | 118,883.82 | 35,008.14 | 206,271.22 |
| Profit/loss before tax (and minority interests) | 418,884.80 | -1,388,398.94 | 303,882.97 | -992,987.50 |
| Income taxes | -320,269.64 | 71,096.72 | -369,848.84 | -34,280.86 |
| Profit/loss | 98,615.16 | -1,317,302.22 | -65,965.87 | -1,027,268.36 |
| Earnings per share (diluted and undiluted) | 0.02 | -0.20 | -0.01 | -0.16 |
| Average number of shares outstanding (undiluted, diluted) | 6,469,502 | 6,469,502 | 6,469,502 | 6,469,502 |
| CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE in Euro | 01 Jul–30 Sep 2010 | 01 Jul–30 Sep 2009 amended | 01 Jan–30 Sep 2010 | 01 Jan–30 Sep 2009 amended |
| Profit/loss for the period | 98,615.16 | -1,317,302.22 | -65,965.87 | -1,027,268.36 |
| Currency translation differences (change not recognised in profit and loss) | -11,485.31 | -208,182.39 | -33,668.16 | -221,566.90 |
| Total recognised income and expenses (comprehensive income/loss) | 87,129.85 | -1,525,484.61 | -99,634.03 | -1,248,835.26 |

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–30 Sep 2009 | | | | -1,027,268.36 | -221,566.90 | -1,248,835.26 |
| Equity at 30 Sep 2009 | 6,500,000.00 | 21,922,005.80 | -103,739.83 | -8,563,426.39 | -173,728.04 | 19,581,111.54 |
| Comprehensive income/loss 1 Oct–31 Dec 2009 | | | | 3,436,405.57 | 192,392.24 | 3,628,797.81 |
| 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–30 Sep 2010 | | | | -65,965.87 | -33,668.16 | -99,634.03 |
| Equity at 30 Sep 2010 | 6,500,000.00 | 21,922,005.80 | -103,739.83 | -5,192,986.69 | -15,003.96 | 23,110,275.32 |

Consolidated Cash Flow Statement of secunet Security Networks (IFRS)

| in Euro | 1 Jan–30 Sep 2010 | 1 Jan–30 Sep 2009 amended |
|--|--------------------------|----------------------------------|
| Cash flow from operating activities | | |
| Earnings before tax (EBT) | 303,882.97 | -992,987.50 |
| Depreciation and amortisation | 716,482.74 | 598,658.69 |
| Change in provisions | -1,744,509.47 | 665,744.86 |
| Interest result | -28,374.72 | -58,843.07 |
| Change in receivables, other assets and prepaid expenses | 5,922,522.20 | -342,824.30 |
| Change in payables and deferred income | -6,496,760.64 | -6,097,786.17 |
| Tax paid | -254,376.67 | -409,642.60 |
| Net cash generated from operating activities | -1,581,133.59 | -6,637,680.09 |
| Cash flow from investing activities | | |
| Purchase of intangible assets and of property, plant and equipment | -998,047.97 | -623,299.56 |
| Purchases of financial assets | -78,754.44 | -122,033.44 |
| Net cash used in investing activities | -1,076,802.41 | -745,333.00 |
| Cash flow from financing activities | | |
| Interest received | 34,846.31 | 64,638.71 |
| Interest paid | -6,471.59 | -5,795.64 |
| Cash generated from financing activities | 28,374.72 | 58,843.07 |
| Effects of exchange rate changes on cash and cash equivalents | -33,668.16 | -221,566.90 |
| Net increase/decrease in cash and cash equivalents | -2,663,229.44 | -7,545,736.92 |
| 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 | 12,006,039.50 | 8,347,292.73 |

Explanatory report

secunet Security Networks' 9-Month Report for the period ending 30 September 2010 was compiled in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

Accounting principles

The consolidation principles and currency translation method for the period from 1 January to 30 September 2010 were in accordance with those in the company's Consolidated Financial Statements for financial year 2006. The recognition and measurement methods were unchanged. 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 (with the exception of the events described in connection with the impairment made at secunet s.r.o.) include any extraordinary items.

A tax rate of 31.4% applies to the calculation of income taxes for domestic 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 9-Month Report requires a series of assumptions and estimates on the part of the management. As a result, it is possible that figures reported in the interim report may deviate from the actual figures.

Impact on last year's figures of the adjustments at secunet s.r.o. Prague

secunet Security Networks discovered the need for adjustments to the 2009 quarterly financial statements of its Czech subsidiary secunet s.r.o., Prague.

The errors unearthed by the KPMG special investigation into secunet s.r.o., Prague, have been duly corrected in the respective income statement items for the reference year 2009. The corresponding allocation to the relevant income statement items in the individual quarters can no longer be fully determined for the 2009 comparison figures. In accordance with IAS 8, Note 50, identified net banking differences have been shown under other operating income, and the cost of materials has been purged of fictitious (erroneous) supplier invoices.

Corrections for all other erroneous and fictitious transactions have been booked to other operating expenses.

This is clarified in the following list

| BREAKDOWN OF OTHER OPERATING INCOME in Euro | 01 Jul–30 Sep 2010 | 01 Jul–30 Sep 2009 amended | 01 Jan–30 Sep 2010 | 01 Jan–30 Sep 2009 amended |
|--|-------------------------------|---|-------------------------------|---|
| Recognition in the income statement | 270,428.36 | -371,445.36 | 1,394,200.29 | 402,261.74 |
| of which effects of secunet s.r.o. | 540.42 | -450,692.64 | 540.42 | 9,312.80 |
| BREAKDOWN OF COSTS OF MATERIALS/PURCHASED SERVICES in Euro | 01 Jul–30 Sep 2010 | 01 Jul–30 Sep 2009 amended | 01 Jan–30 Sep 2010 | 01 Jan–30 Sep 2009 amended |
| Recognition in the income statement | -4,420,970.19 | -3,699,042.03 | -14,075,674.22 | -13,244,507.21 |
| of which effects of secunet s.r.o. | -2,009.92 | 572,465.42 | -46,628.67 | -213,700.14 |

| BREAKDOWN OF OTHER OPERATING EXPENSES in Euro | 01 Jul–30 Sep 2010 | 01 Jul–30 Sep 2009 amended | 01 Jan–30 Sep 2010 | 01 Jan–30 Sep 2009 amended |
|---|-------------------------------|---|-------------------------------|---|
| Recognition in the income statement | -2,789,902.79 | -3,033,953.53 | -8,386,354.62 | -8,007,455.32 |
| of which effects of secunet s.r.o. | -46,880.30 | -168,943.05 | -160,538.61 | -566,177.78 |

As a result, the figures listed in last year's interim financial statements and included in this 9-Month Report have also been amended (listed as "amended" figures). These year-earlier figures replace those reported in the 2009 9-Month Report.

Consolidated group

In addition to secunet Security Networks, all subsidiaries whose financial and operating policies secunet has the power to govern are included in the consolidated financial statements. In the reporting period and in financial year 2009, there were no minority interests in equity or in the profit or loss for the respective periods.

Compared with 31 December 2009, the consolidated group was unchanged as at 30 September 2010.

Treasury shares/subscription rights

As at 30 September 2010, the company held 30,498 treasury shares, the same figure as at 31 December 2009; this equates to 0.5% 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 Security* 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 Security* 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 Security* 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 2010 in kEuro | Business Security | Government | High Security | Other segments | Recon- ciliation | secunet 9M 2010 |
|--|----------------------|------------|------------------|-------------------|---------------------|----------------------------|
| Segment revenue external | 6,048 | 10,083 | 21,316 | 1,024 | -34 | 38,437 |
| Segment revenue internal | 1,304 | 0 | 0 | 23 | -1,327 | 0 |
| Segment revenue (EBIT) | -57 | -105 | 207 | -380 | 575 | 241 |
| Goodwill | 838 | 773 | 1,339 | 0 | 0 | 2,950 |
| Depreciation and amortisation | -161 | -56 | -228 | -419 | 147 | -716 |
| Significant expenses | | | | | | |
| Personnel expenses | -3,860 | -4,654 | -4,240 | -3,651 | -8 | -16,412 |
| Cost of materials | -932 | -1,827 | -11,683 | 32 | 334 | -14,076 |
| Segment report 9M 2009 in kEuro | Business Security | Government | High Security | Other segments | Recon- ciliation | 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 revenue (EBIT) | -73 | 985 | -163 | -1,306 | 65 | -490 |
| Goodwill | 838 | 773 | 1,339 | 0 | 0 | 2,950 |
| Depreciation and amortisation | -117 | -53 | -145 | -431 | 147 | -599 |
| Significant expenses | | | | | | |
| Personnel expenses | -3,251 | -4,298 | -3,723 | -4,137 | 0 | -15,410 |
| Cost of materials | -1,654 | -2,644 | -10,192 | -318 | 448 | -14,360 |

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. No special discounts are offered, all transactions being conducted at normal market rates.

In the first nine 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 nine 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) 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 reporting date

We refer to our introductory remarks on the value adjustment requirement concerning secunet s.r.o. There were no other significant events after the reporting date.

Financial Calendar 2010

| | |
|--------------------|--------------------------|
| 10 November | 9-Month Report 2010 |
| 23 November | German Equity Forum 2010 |

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