

Key Figures

in million euros	2014	2013	Change in %
Sales	82.2	63.9	+29
EBIT	6.6	3.7	+79
EBT	6.5	3.6	+84
Net income for the year	4.4	2.4	+84
Earnings per share (in euros)	0.68	0.37	+84
Balance sheet total	68.6	57.4	+20
Equity	35.7	33.1	+8
Cash and cash equivalents	37.4	29.3	+28
Liabilities	14.9	12.0	+24
Loans	0,0	0,0	–
Cashflow from operating activities	10.2	6.6	+54
Investments	1.1	1.3	-10
Dividend per share in euros	0.27 *	0.15	+80
Order backlog IFRS	37.5	40.3	-7
Employees as at 31 Dec	360	344	+5

* subject to the resolution of the Annual General Meeting

Long-term development

Sales and EBIT margin

Sales in million euros





Public Sector

Solutions for e-government and high security

Processes and IT infrastructures for public customers are particularly challenging in terms of information security. The secunet Public Sector division offers advice to national and international public-sector and defence customers, using state-of-the-art products and services that can be tailored to

customers' needs, as well as individual security solutions. These meet the requirements of modern administration, allow sovereign tasks to be performed and correspond to the high-security requirements for the protection of classified information.

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Business Sector

IT security for companies and industry solutions

Attacks on company networks, industrial espionage, cyber crime and data protection requirements necessitate intelligent IT security solutions. The secunet Business Sector division supports its customers in the safe use of Information and Communication Technologies in internal IT, in core business and "embedded" in products and services.

The core competence of the Business Sector division is in the development and production of flexible security solutions, which can be integrated into existing IT landscapes without influencing ongoing business processes and can be adjusted to technical development.

secunet is one of the leading German providers of high-quality IT security. In close dialogue with its customers – companies, public authorities and international organisations – secunet develops high-performance products and advanced IT security solutions. secunet therefore does not merely secure its customers' IT systems, it also delivers intelligent process optimisation and achieves sustainable added value.

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Annual Report 2014

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Dr Rainer Baumgart



Thomas Pleines

Foreword by the Management Board

Dear shareholders, customers, staff and friends of secunet,

In 2014 we achieved record results.

In the financial year 2014, secunet achieved revenues of 82.2 million euros and earnings before interest and taxes (EBIT) of 6.6 million euros. These are the best results we have even seen in the history of the company. As such, we were once again able to continue the growth trend of the previous years.

The reasons behind this development were the successful implementation of large infrastructure projects in Germany and abroad, such as the roll-out of eGates for automated border control at German airports, the development of a Public Key Infrastructure (PKI) for the Federal Employment Agency and the creation of a visa and document control system for the cantonal police in Zurich which is the most modern in Europe.

An essential driver of growth is also the increasing delivery of high-value IT security and cryptographic products. The orders and therefore revenues in the Product Business in 2014 therefore increased considerably. The expansion of the Product Business was a result of, amongst other things, the previously mentioned large-scale projects as well as procurement made by the German army, one of our major customers.

Whilst the revenues and EBIT in the Public Sector segment, which serves the authorities, showed excellent development, we are less pleased with the results of the private-sector target group. We consider the Business Sector, which is part of this, to have scope for further expansion and see potential that can bring this area onto a clear path of growth again.

We are optimistic about the future.

The market environment opens up good long-term and sustainable growth potential for secunet.

This results from a lasting increasing demand for a range of solutions relating to cyber security. Awareness of the topic is also fuelled by continuous public debate, not least triggered by the revelation of bugging scandals and repeated reports of (IT) security breaches and the associated risks. We also expect to see a positive effect on demand caused by regulation due to the IT security law passed by the German government, especially from the operators of critical infrastructures. Furthermore, the continued expansion of large IT infrastructures leads indirectly to a lasting high demand for solutions and consultancy due to the associated questions of IT security.

secunet is excellently positioned to meet this increasing demand for cyber security solutions.

Our highly qualified, experienced and motivated employees are, as always, the basis for our success in the consulting business. The personnel at secunet is incorporated into an internal structure, the organisation and processes of which we continuously optimise in order to address the needs of our specific target groups in a more focussed way.

We would like to continue increasing revenues from the Product Business in high-quality security solutions. The economies of scale we strive towards can be realised here. We are already able to access a broad portfolio of IT high-security products for our customers. Furthermore, we are constantly building on our product and solutions range, addressing the most varied of needs, both for mobile users as well as for industry and the operators of critical infrastructures. With the increasing number of national and international (EU and NATO) approvals for our products, the scope of our range has also increased. For the further development of our product and solution portfolio, we orientate ourselves strictly towards the needs of our customers – this approach towards partnership reduces the risk of developments which miss the market.

As an IT security partner of the Federal Republic of Germany and with experience gained from numerous successful projects, secunet has gained recognition at home and abroad. In issues regarding cyber security, secunet is positioned as one of the leading premium providers in Europe. Our sales success demonstrates that we are the reliable partner of choice for many.

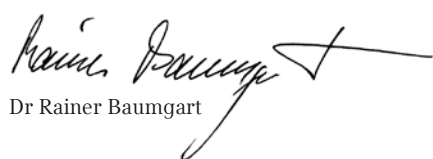
We would also like to continue growing sustainably.

We ended 2014 with record results. The high increase in revenues (an increase of 29%) and EBIT (an increase of 79%) are impressive and are a reward for our strong commitment in the last few years.

All the employees at secunet Security Networks AG have made this success possible due to their outstanding dedication in all areas, whether this is with the customer, in development or in administration. The Management Board extends their explicit thanks to them for their work.

We want to continue to grow strongly in the future. Our experiences with record results and record increases show that short consolidation phases at the high level reached regularly follow particularly good years. Furthermore our business remains dependent on budgets and comprehensive investment decisions. This is why at the time of creation of this report, we expect revenues and EBIT to be at around the same level as the previous year for 2015.

Yours,



Dr Rainer Baumgart



Thomas Pleines



Dr Peter Zattler

Report of the Supervisory Board

Dear Shareholders,

During the financial year 2014, the Supervisory Board of secunet Security Networks AG again performed the supervisory and advisory duties assigned to it by law and by the Company's Articles of Association in a constant, careful and diligent manner.

The Supervisory Board continually supervised the Management Board's conduct of business and regularly advised the Management Board on the management of the Company. The Supervisory Board was directly involved in all decisions that were of fundamental importance to the Company. The Supervisory Board received regular, prompt and comprehensive information from the Management Board, both in writing and verbally, on the business performance of secunet Security Networks AG and the consolidated Group of companies, as well as regarding strategy, planning, business performance, the risk situation, risk management and compliance and all other occurrences and measures important for the Company. The Members of the Supervisory Board always had the opportunity to attend to the Management Board's suggestions and reports in detail and to make their own proposals.

In the context of its supervisory and advisory function, the Supervisory Board dealt in detail with all measures that required that the Supervisory Board be informed or give its consent. In this way it provided the Management Board with advice and support in relation to implementation of the Company strategy and the related measures. Wherever this was required by the provisions of the law, the Articles of Association or the rules of procedure of the Management Board, the Supervisory Board voted, after thorough examination and consultation, on the reports and proposed decisions of the Management Board.

The Chairman of the Supervisory Board was kept up to date by the Management Board on the current business situation and on any key business events. The Chairman of the Supervisory Board also discussed the strategic direction of the Company, business performance and risk management in separate meetings held with the Management Board on a regular basis.

Supervision and examination methods

The Supervisory Board has mainly based its examination on

- the regular reports of the Management Board as provided for by law and the Management Board's rules of procedure,
- the separate reports submitted by the Management Board on occasion and
- the supplementary explanations provided by the Management Board and the auditors.

Each of the reports was submitted to all members of the Supervisory Board. Where the Management Board submitted business measures to the Supervisory Board for approval, the Supervisory Board's copy was in each case accompanied by a presentation of the main points to be considered in taking a decision. During the financial year 2014, the Supervisory Board saw no occasion for individual members of the Supervisory Board or particular experts to inspect or examine the books or records of the company.

Personnel changes on the Supervisory Board

At the close of the Ordinary General Meeting of secunet Security Networks AG on 14 May 2014, the former members of the Supervisory Board Dr Wilhelm Wick, Franz Markus Haniel and Dr Reinhard Warmke stepped down from the Supervisory Board. On behalf of secunet Security Networks AG, the Supervisory Board would like to thank them for their constructive, responsible and dedicated cooperation.

From the Ordinary General Meeting on 14 May 2014, Axel Deininger, Hans Wolfgang Kunz, Dr Elmar Legge, Wolf-Rüdiger Moritz, Professor Günter Schäfer and Dr Peter Zattler were elected to the Supervisory Board. At the constitutive meeting of the Supervisory Board held after the Ordinary General Meeting, the Supervisory Board elected Dr Peter Zattler as Chairman of the Supervisory Board and Hans Wolfgang Kunz as Deputy Chairman of the Supervisory Board.

Meetings of the Supervisory Board

Five ordinary meetings of the Supervisory Board were held in the 2014 financial year; on 19 March, on 14 May ahead of the Ordinary General Meeting, as well as for the constitutive meeting following the Ordinary General Meeting on 14 May, on 10 September and on 26 November. As required, the Supervisory Board also made resolutions between the meetings, circulated in writing. The Management Board also kept the Supervisory Board informed about projects and plans of particular importance to the Company in the periods between the meetings, by means of detailed written reports.

In all of the meetings, the Supervisory Board addressed the current business performance of secunet Security Networks AG. It also dealt with all relevant issues concerning business planning, investment planning, earnings and liquidity, the risk situation and risk management, and compliance. With regard to risk management and compliance, the Supervisory Board also received regular updates, in particular concerning the audit of the compliance measures according to IDW test standard 980 carried out by KPMG AG Wirtschaftsprüfungsgesellschaft. Furthermore, it dealt in detail with the Management Board's estimates regarding market events, and the further development and long-term strategy focus of the Company, and critically and constructively discussed these topics with the Management Board. In addition, it focused on the key organisational and personnel changes. With the exception of the meeting which took place on 14 May 2014 directly before the Ordinary General Meeting, the Supervisory Board was also informed of the risk situation and risk management of the Company in all of the meetings.

The financial statements review meeting of 19 March 2014 dealt in detail with the Annual Financial Statements, Consolidated Financial Statements and abbreviated Management Report for the Company and the Group for the 2013 financial year as well as with the Auditors' Report (detailing the major elements of the audit), in the presence of the auditor. These were reviewed and approved by the Supervisory Board.

In its meeting on 19 March 2014, the Supervisory Board also approved the Supervisory Board Report for the financial year 2013 as well as the proposed resolutions and nominations of the Supervisory Board for the Annual General Meeting on 14 May 2014. Furthermore, the Supervisory Board undertook a self-evaluation of its activities with the aim of further improving the efficiency of the latter (examination of efficiency).

In the meeting on 14 May 2014, which took place ahead of the Ordinary General Meeting, the Supervisory Board dealt with matters pertaining to the Management Board.

In the constitutive meeting, which the Supervisory Board also met for following the Ordinary General Meeting on 14 May 2014, the Supervisory Board agreed upon a revised version of its rules of procedure. As part of this revised version, the Supervisory Board dissolved the three-person Chairman's Committee (Committee for Personnel Matters) in particular. In the view of the Supervisory Board, this committee was not necessary as the Supervisory Board is only comprised of six members. In a panel of this size, the Supervisory Board believes that efficient operation is guaranteed without the formation of committees. Since the dissolution of the Chairman's Committee, the Supervisory Board no longer has any committees.

Furthermore, as part of its constitutive meeting, the Supervisory Board also agreed on a revised version of the Management Board's rules of procedure. In the course of this, revisions and updates were made to the catalogue of actions provided for in the rules of procedure; the implementation of these actions requires the Management Board to obtain agreement from the Supervisory Board. This was carried out with regard to the fact that the actions requiring approval should conclusively be determined in the Management Board's rules of procedure, and that provisions in the Articles of Association regarding these actions requiring approval were cancelled by corresponding resolutions of the Ordinary General Meeting of 14 May 2014 under agenda items 8, 10 and 11.

At the meeting of 10 September 2014, the Supervisory Board primarily dealt with the future strategic and operative development of secunet Security Networks AG. This also involved the discussion and analysis of possible further developments in the organisational structures of the Company. Furthermore, in its meeting of 10 September 2014, the Supervisory Board dealt with the resignation of Willem Bulthuis from the Management Board of secunet Security Networks AG, by mutual agreement, as of 30 September 2014.

At the meeting of 26 November 2014, the Supervisory Board approved the annual and budget planning for the 2015 financial year. Furthermore, the Supervisory Board dealt with other suggestions made by the Management Board regarding the strategic and operative direction of the Company as well as aspects concerning compliance management and risk management. Furthermore, the Management Board reported to the Supervisory Board on the pending legal challenges against a total of four resolutions of the Ordinary General Meeting of 14 May 2014. Furthermore, the Supervisory Board discussed and adopted the declaration of conformity pursuant to Article 161 of the German Stock Corporation Law (Aktiengesetz, AktG).

All members of the Supervisory Board were present at the meeting of 19 March, the two meetings held on 14 May as well as the meeting on 26 November 2014. One member was excused from the meeting on 10 September 2014. In the 2014 financial year, no member of the Supervisory Board attended fewer than half of the meetings which took place during their respective term of office.

In the meeting on 26 November 2014, the Supervisory Board also addressed a possible conflict of interests. This concerned the discussion of a considered, temporary cooperation between secunet Security Networks AG and the TU Ilmenau. The cooperation is aiming for joint developments in the field of cyber security, and the research carried out by Supervisory Board member Professor Schäfer was to receive support as part of this. Professor Schäfer disclosed this possible conflict of interest to the Supervisory Board. With the cooperation of Professor Schäfer, the Supervisory Board declared its consent to the considered cooperation.

Meetings of the Chairman's Committee of the Supervisory Board

The Supervisory Board of secunet Security Networks AG had a three-member Chairman's Committee (Committee for Personnel Matters), which was dissolved on 14 May 2014. Members of the Chairman's Committee were lastly Chairman of the Supervisory Board Dr Peter Zattler, Dr Wilhelm Wick and Hans Wolfgang Kunz.

At its meeting of 14 May 2014, the Chairman's Committee discussed Management Board matters. All members attended the meeting of the Chairman's Committee.

Corporate Governance

The Supervisory Board is continually examining the further development of Corporate Governance standards in the Company and the implementation of the recommendations of the German Corporate Governance Code in particular. The Supervisory Board deems the implementation of the German Corporate Governance Code to be of key importance. In the reporting year, secunet Security Networks AG complied with the recommendations of the German Corporate Governance Code with few exceptions. In the course of the year, the Management Board and Supervisory Board updated the Declaration of Conformity of 27 November 2013 regarding

the recommendations of the “Government Commission on the German Corporate Governance Code” in accordance with Article 161 of the German Stock Corporation Law on 31 March 2014. They also submitted the declaration for the 2014 financial year on 26 November 2014. Both the in-year update of the Declaration of Conformity of 31 March 2014 as well as the Declaration of Conformity for the 2014 financial year concluded on 26 November 2014 were made permanently available to shareholders on the internet page of the Company. The Declaration of Conformity for the financial year 2014 which was approved on 26 November 2014 can also be found in the Corporate Governance report, which is part of this Annual Report 2014.

Annual Financial Statements and Consolidated Financial Statements for 2014

The Annual Financial Statements prepared by the Management Board in accordance with the German Commercial Code (Handelsgesetzbuch, HGB) and the Consolidated Financial Statements prepared under IFRS for the financial year 2014, including the bookkeeping system, and the summarised Management Report for the Group and the Company were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Essen branch. As part of this audit, the auditors also determined whether the Management Board has a suitable monitoring system, the design and handling of which is suited to identify any developments endangering the continued existence of the Company early on. The Supervisory Board awarded the audit mandate in accordance with the resolution passed by the Annual General Meeting on 14 May 2014. The auditors issued an unqualified opinion in each case.

The auditors also examined the report on relationships with affiliated companies prepared by the Management Board for the financial year 2014 in accordance with Article 312 of the German Stock Corporation Law and relating to the existing majority shareholding by Giesecke & Devrient GmbH, Munich, and issued the following unqualified opinion: “Based on our audit and evaluation conducted in accordance with our professional duties, we hereby confirm that 1. the factual information contained in this report is correct, 2. the consideration provided by the Company in respect of the legal transactions mentioned in the report was not inappropriately high.”

The financial statement documents, the proposed appropriation of balance sheet profits, the report on relationships with affiliated companies and the auditors’ report were distributed to all members of the Supervisory Board without delay following their preparation. At the financial statements review meeting of 13 March 2015, the financial statements and reports, as well as the suggested profit appropriation, stated above were discussed and examined in detail by the Supervisory Board in the presence of the auditors, who gave a report on the main findings of their audit.

Based on the final results of its own examination, the Supervisory Board had no objections to the Financial Statements, the summarised Management Report for the Group and the Company, the report on relationships with affiliated companies, including the final statement of the Management Board contained herein, or the auditors’ report. The Supervisory Board therefore endorsed the findings of the audit and approved the Financial Statements of secunet Security Networks AG and the consolidated Group as at 31 December 2014 compiled by the Management Board; the Annual Financial Statements of secunet Security Networks AG were thus adopted on 13 March 2015. The Management Board’s proposal for the appropriation of distributable earnings provides for the distribution of 1,746,765.54 euros to shareholders through the payment of a dividend of 0.27 euros per no-par value share, as well as the carry-forward of 4,646,541.25 euros. The Supervisory Board checked and agrees with this proposal, especially upon consideration of the dividend policy, the effects on liquidity of secunet Security Networks AG as well as the interests of shareholders.

The Supervisory Board would like to thank all employees and the members of the Management Board for their great commitment and excellent work during the 2014 financial year.

Essen, 13 March 2015

The Supervisory Board



Dr Peter Zattler

The secunet Share

Stock market year 2014: high volatility

The 2014 financial year was a mixed year for German shares. The DAX reached an all-time high during the period, amongst other things thanks to the tailwind from the expansive monetary policy of the European Central Bank; however, at the end of 2014, it was only up 2.7% compared to the end of December 2013. After the good year of 2013 (increase of 26%), investors in the German stock market had to be content with a considerably more modest development. Furthermore, an environment shaped by crises (Ukraine, Russia, oil prices etc.) and other uncertainties (presidential elections in Greece) created high volatility. The mid caps were not able to surpass the moderately satisfactory share price performance of the large caps: in 2014, the MDAX recorded an increase of 2.2%. Only in the TecDax performance was better with an increase of 17.5%. There was, however, a high variation between the individual values.

For 2015, this turbulence is not expected to cease, meaning that fluctuations on the stock markets are likely to persist. In this respect, investors will continue to require strong nerves.

secunet share has good long-term performance

After the secunet Security Networks AG share recorded strong to very strong growth in the years 2012 (increase of 21%) and 2013 (increase of 59%), the price of the secunet share decreased between 30 December 2013 (20.08 euros) and 30 December 2014 (19.20 euros) by 4.4%. This led to a decrease in the value of the Company from 130.5 million euros to 124.8 million euros. At the time of creating this report, the announcement of the good figures for the 2014 financial year had already had an effect with regard to the stock market: up to 30 January 2015, the price increased to 21.27 euros (30 January 2014: 18.52 euros, an increase of 14.8%), for example.

From a long-term perspective, the secunet share has demonstrated itself to be an investment with good performance: those who joined at the beginning of 2013 were able to see an added value of 52% by the end of 2014 across a period of almost two years.

Dividend expected to increase

At the Annual General Meeting, due to take place on 13 May 2015, the Supervisory Board and Management Board of secunet Security Networks AG will recommend that a dividend of 0.27 euros be paid out for each share. In the previous year, 0.15 euros was paid out for each share. The shareholders thus participate in the positive business performance of their company.

Shareholder structure remains stable

Munich-based Giesecke & Devrient (G&D) GmbH has held a direct stake of 78.96% in secunet since 2009. A considerable share in secunet Security Networks AG is also held by Ingrid and Christiane Weispfenning, who together hold a 3.95% share in the voting rights of secunet Security Networks AG, along with Axxion S.A. (3.18%) and BNY Mellon Service KAG with 3.06%.

secunet itself holds a further 0.47% of the shares (30,498 individual shares), while the remaining 10.38% are in free float.

Unchanged low trading volume

In 2014, the average number of secunet shares traded on the Frankfurt stock exchange and on Xetra was 1,518 shares per day. The previous year's figure was 1,503. As a result, the average daily trading volume remained unchanged at a low level. The low level of turnover can lead to the share becoming more volatile, i.e. trigger major price fluctuations as soon as supply or demand for secunet shares increases.

High attendance at Annual General Meeting

The Ordinary General Meeting of secunet Security Networks AG was held on 14 May 2014 in Essen, with 79% of the share capital represented. Each of the agenda items received more than 99% approval.

Shareholders receive comprehensive information

secunet Security Networks AG places great emphasis on providing the public with up-to-date, comprehensive and consistent information. Transparency is a watchword. The cultivation of Investor Relations therefore plays an important role at secunet.

secunet is synonymous with regular and open reporting that is designed to provide our shareholders with comprehensive information on secunet Security Networks AG and its business performance. All information published by secunet is also posted on the Company's website (www.secunet.com) as quickly as possible. The website also contains financial reports and presentations in addition to the current financial calendar. Shareholders and other interested parties can also contact Investor Relations by phone on +49 (0) 201 54 54-12 27 or via e-mail at investor.relations@secunet.com with questions.

Share price performance 2 January 2014–31 December 2014

secunet Security Networks AG
Technology All Shares
DAX

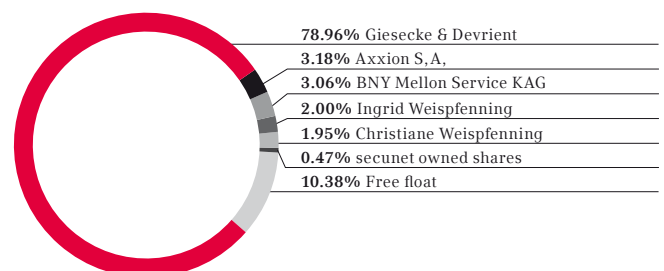
Index, price 2 January 2014 = 100



secunet stock information

Reuters	YSNG.DE
Bloomberg	YSN
WKN	727650
ISIN	DE0007276503
Class of share	Ordinary bearer shares with no par value
Share capital in euros	6,500,000
Share capital in units	6,500,000

Shareholder structure 2014



Corporate Governance Report

DECLARATION OF CORPORATE GOVERNANCE

An effective and transparent organisation, as well as responsible and reliable Corporate Governance is very important at secunet Security Networks AG. The Company's Management Board and Supervisory Board firmly believe that good Corporate Governance is key to the continued success of the Company on the market. As part of this, the Management Board and Supervisory Board regularly monitor the implementation of the German Corporate Governance Code at secunet Security Networks AG on the basis of statutory requirements and the German Corporate Governance Code issued by the Government Commission.

In the financial year 2014, the Management Board and Supervisory Board of secunet Security Networks AG once again carefully deliberated on the recommendations and proposals of the German Corporate Governance Code in the respective versions in force from 13 May 2013 and 24 June 2014. The Declaration of Conformity set out below regarding the German Corporate Governance Code was agreed on the basis of these deliberations. This declaration is permanently available on our website and constantly updated to reflect any amendments.

In accordance with Item 3.10 of the German Corporate Governance Code and Article 289a of the German Commercial Code (Handelsgesetzbuch, HGB), the Management Board and Supervisory Board give the following report:

Management and supervisory structure

secunet Security Networks AG is subject to German stock corporation law. As a German public limited company, it has a dual management and supervisory structure consisting of a Management Board and a Supervisory Board. Since the withdrawal of Mr Willem Bulthuis on 30 September 2014, the Management Board now has two members remaining. The Supervisory Board is made up of six members. The Management Board and Supervisory Board work together closely and on the basis of mutual trust in their management and supervision of the Company.

Supervisory Board

The Supervisory Board supervises and advises the Management Board with regard to the management of the Company. At regular intervals, the Supervisory Board discusses business performance and planning, as well as the strategy and its implementation. It discusses quarterly reports and approves the Annual Financial Statements of

secunet Security Networks AG and the consolidated Group, taking into consideration the audit reports prepared by the independent auditors and its own examination. The Supervisory Board monitors the accounting process, the effectiveness of the internal control system, risk management and internal audit, as well as the auditing of the financial statements. Its tasks and responsibilities also include appointing members to the Management Board. Management Board decisions of fundamental importance, such as major acquisitions, disposals and financial measures, require the consent of the Supervisory Board. An extraordinary meeting of the Supervisory Board is convened as and when necessary should significant events arise. The Supervisory Board has drawn up rules of procedure for its work. Its Chairman coordinates the work carried out within the Supervisory Board, chairs its meetings and represents its interests externally.

In accordance with the Articles of Association, the Supervisory Board of secunet Security Networks AG comprises six members. These members were elected individually at the Annual General Meeting held on 14 May 2014, in compliance with the recommendations of the German Corporate Governance Code. On 14 May 2014, Mr Peter Zattler was re-elected as Chairman of the Supervisory Board following the Annual General Meeting as part of the constitutive meeting of the Supervisory Board. It was already disclosed in the invitation to the Annual General Meeting that Mr Zattler would be put forward as a candidate for the position of Chairman of the Supervisory Board, if selected during the Annual General Meeting as part of the constitutive meeting of the Supervisory Board.

The current terms of the members of the Supervisory Board end with the Ordinary General Meeting 2019, in which the next Supervisory Board elections are due to take place. The knowledge, skills and professional experience required to fulfil the remit are taken into account when drawing up the nominations for election to the Supervisory Board. In addition, the Supervisory Board defined concrete targets for its composition according to Item 5.4.1 of the German Corporate Governance Code in its meeting of 26 November 2014. Taking into account the Company's specific situation, at the next election of its members, the Supervisory Board will strive to achieve diversity among candidates with the requisite professional and personal qualities. Among suitable candidates, the Supervisory Board will look for international experience, potential conflicts of interest, independence and an appropriate proportion of female members. At least one seat on the Supervisory Board is intended for a female member. At least one Supervisory Board member should have many years of special experience abroad, acquired as a result of working abroad or due to a foreign country of origin. In addition, the Supervisory Board should have at least two independent members in the sense of Item 5.4.2 of

the German Corporate Governance Code. Furthermore, Supervisory Board members should not be older than 70 years of age. With regard to the Supervisory Board elections that took place at the Ordinary General Meeting 2014, particular efforts were made to put forward at least one woman for election for the Supervisory Board, in accordance with the resolution of the Supervisory Board on the concrete goals for its composition from its meeting on 17 November 2013. Despite intensive efforts, however, no suitable female candidates were found for the Supervisory Board elections at the Ordinary General Meeting 2014.

Against this background, on 31 March 2014 the Company updated its Declaration of Conformity and as a precaution declared a deviation from Item 5.4.1. Para. 2 and 3 Clause 1 of the German Corporate Governance Code. The Supervisory Board addressed the aforementioned recommendations again in November 2014 and approved specific targets for its composition as defined in Number 5.4.1 Para. 2 of the German Corporate Governance Code. Following this resolution, particular efforts will continue to be made to put forward at least one woman for election to the Supervisory Board in the upcoming Supervisory Board elections at the Ordinary General Meeting 2019. Since this resolution of the Supervisory Board, the recommendations of Item 5.4.1 Para. 2 and 3 Clause 1 of the German Corporate Governance Code are complied with once again. In general, the composition of the Supervisory Board is already meeting its targets.

The Supervisory Board will take the above-mentioned objectives into account in its suggestions for appointments, which it will publish to the Annual General Meeting 2019 for Supervisory Board elections.

Until 14 May 2014, the Supervisory Board had one three-person committee at its disposal, the Chairman's Committee. This was made up of the Chairman of the Supervisory Board, the Deputy Chairman of the Supervisory Board and a further member of the Supervisory Board chosen by the Supervisory Board members. The roles of the Chairman's Committee were to discuss Management Board personnel matters and to prepare the corresponding resolutions of the Supervisory Board. In particular, the Chairman's Committee presented proposals for the appointment of Management Board members, including the principles governing the conditions of the employment contracts and the structure and level of Management Board members' remuneration. After intensive scrutiny, the Supervisory Board came to the conclusion that this committee is not necessary with regard to the efficient operation of the Supervisory Board. The Chairman's Committee was therefore dissolved on 14 May 2014. Members of the Chairman's Committee were lastly Chairman of the Supervisory Board Dr Peter Zattler, Dr Wilhelm Wick and Hans Wolfgang Kunz.

Since then, the Supervisory Board has had no other committees. In the opinion of the Supervisory Board, this is not in fact necessary, as the Supervisory Board comprises only six members. In a panel of this size, efficient operation of the Supervisory Board can be guaranteed without the formation of committees.

Management Board

The Management Board, as the body responsible for managing the Company, conducts the Company's business under its own responsibility and in the Company's interests. Its aim is to increase its value on a sustainable basis. In particular, it determines the principles of the Company's policy and is also responsible for developing the Company's strategy, for planning and setting the Company's budget, for allocating resources, and for controlling and managing the Company's business divisions and business units. Specific measures described in the Management Board's rules of procedure require the approval of the Supervisory Board. The Management Board is responsible for preparing the Company's quarterly financial statements, the Annual Financial Statements of secunet Security Networks AG and the Consolidated Financial Statements.

The Management Board works closely with the Supervisory Board. It informs the Supervisory Board regularly, comprehensively and without delay of all issues important to the Company as a whole with regard to strategy and strategy implementation, planning, business performance, the financial and earnings situation, and entrepreneurial risks.

Responsible risk management

Good Corporate Governance also means that the Company must take a responsible approach to risk. Systematic risk management as part of our value-oriented Group management ensures that risks are identified and evaluated at an early stage, and that risk positions are optimised. Details of risk management at secunet Security Networks AG are given in the Management Report. It also contains the report on the key characteristics of the internal control and risk management system relating to accounting.

Information for shareholders

secunet Security Networks AG reports to its shareholders four times a year on business performance and on the financial and earnings situation, and makes all reports and information permanently available to shareholders on the Company's website at www.secunet.com.

The shareholders of secunet Security Networks AG may exercise their rights, including voting rights, at the Annual General Meeting. Shareholders can exercise their voting right at the Annual General Meeting themselves or choose an agent or company proxy bound by their instructions to exercise the voting right. The Annual General Meeting takes place in the first eight months of the financial year. The Chairman of the Supervisory Board normally chairs the Annual General Meeting. Ahead of the Annual General Meeting, shareholders receive comprehensive information about the past financial year and about the individual items on the agenda of the upcoming Meeting by way of the Annual Report and invitation to the Meeting. All relevant documents and information on the Annual General Meeting, together with the Annual Report, are also available on our website.

Shareholders are notified about important dates by means of a financial calendar published in the Annual Report, in the quarterly reports and on the Company's website.

Further detailed information about secunet Security Networks AG is available on our website at www.secunet.com.

Corporate Governance Guidelines

The Articles of Association of secunet Security Networks AG form the basis of our Company. The Company's Articles of Association, the current Declaration of Conformity, the Declarations of Conformity for previous years and further Corporate Governance documents can be found online at www.secunet.com under The Company/Investor Relations/Compliance and Corporate Governance.

In 2008, the Management Board introduced a Code of Conduct for the Company and its employees summarising the business principles of secunet Security Networks AG. The Code of Conduct was updated in 2014. These principles are a crucial part of how secunet Security Networks AG sees itself, and of the expectations that it strives to meet. The Code of Conduct is a set of standards for dealing with all the economic, legal and moral challenges that we face in our day-to-day business activities and is intended as a benchmark and guide when working with customers, suppliers and other business partners, and for our conduct towards our competitors. It also governs our conduct in financial matters and trading in secunet shares, their derivatives and other financial instruments. The Company has set up a compliance unit to handle questions arising in connection with the Code of Conduct.

Management Board and Supervisory Board remuneration

secunet Security Networks AG complies with statutory regulations and the recommendations of the German Corporate Governance Code and discloses the remuneration of each individual member of the

Management Board. In this Annual Report (more specifically, in the remuneration report, which forms part of the Management Report) we detail the remuneration of the members of the Management Board and of the Supervisory Board.

Details regarding the share option programme and similar security-based incentive systems

There are no share option programmes or similar security-based incentive systems for executive bodies or employees of the Company.

Notification of transactions under Article 15a of the WpHG (Directors' Dealings)

Article 15a of the German Securities Trading Law (Wertpapierhandelsgesetz, WpHG) requires members of Company bodies (Supervisory/Management Boards) and certain executives, as well as closely related parties, to disclose transactions in secunet shares or related financial instruments, where the sum total of such transactions reaches 5,000 euros within a single calendar year. Directors' Dealings disclosures are also published on our website under Investor Relations. No Directors' Dealings were reported in the financial year 2014.

No member of the Management Board or Supervisory Board owns more than 1% of the shares, or financial instruments related to the shares, of the Company. The members of the Management Board and Supervisory Board jointly own no more than 1% of the shares of the Company.

Accounting and auditing of the financial statements

secunet Security Networks AG prepares its Consolidated Financial Statements and Consolidated Interim Financial Statements in accordance with the International Financial Reporting Standards (IFRS). The Annual Financial Statements of secunet Security Networks AG are prepared in accordance with German commercial law (German Commercial Code – Handelsgesetzbuch, HGB). The Annual and Consolidated Financial Statements are compiled by the Management Board and audited by the auditors and the Supervisory Board. Interim reports and the 6-Month Report are discussed by the Management Board and Supervisory Board prior to their publication.

secunet Security Networks AG's Consolidated and Annual Financial Statements have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Essen branch, the auditors appointed by the 2014 Annual General Meeting. The audits were performed in accordance with Article 317 of the HGB and with due consideration for the generally accepted standards for the audit of financial statements in Germany promulgated by the Institut der Wirtschaftsprüfer (IDW).

It was also contractually agreed with the auditors that they would inform the Supervisory Board without delay of any potential grounds for exclusion or bias and of any findings or occurrences of significance to the Supervisory Board's remit that came to light during the audit.

The Condensed Consolidated Interim Financial Statements and the Interim Group Management Report as at 30 June 2014 were subjected to an auditor's review by KPMG AG Wirtschaftsprüfungsgesellschaft.

Declaration of conformity under Article 161 of the German Stock Corporation Law

The Management Board and Supervisory Board of secunet Security Networks AG have issued the following Declaration of Conformity regarding the recommendations of the Government Commission on the German Corporate Governance Code according to Article 161 of the German Stock Corporation Law (Aktiengesetz, AktG). The Declaration of Conformity can also be found on secunet Security Networks AG's website under The Company/Investor Relations/Compliance and Corporate Governance.

secunet Security Networks AG complies with the recommendations of the Government Commission on the German Corporate Governance Code, as amended in the version in force on 13 May 2013 and then the version in force on 24 June 2014 and published by the German Ministry of Justice in the official part of the Federal Gazette, with the following exceptions:

3.8 Para. 3

An excess should be agreed in D&O insurance for the Supervisory Board.

Explanation: The secunet Supervisory Board conducts its business with the utmost sense of responsibility. An excess would not give rise to any additional improvement or incentive.

5.1.2 Para. 2 Clause 3

An age limit should be set for Management Board members.

Explanation: secunet Security Networks AG does not stipulate an age limit for Management Board members, as the age of the particular Management Board member is not a blanket criterion for suitability to hold a position on the Management Board. An age limit would therefore generally limit the selection of suitable candidates to an unreasonable degree.

5.3.1

Depending on the specifics of the company and the number of its members, the Supervisory Board shall form professionally qualified committees.

Explanation: Until 14 May 2014, the Supervisory Board had one committee at its disposal, the Chairman's Committee. After intensive scrutiny, the Supervisory Board came to the conclusion that this committee is also not necessary with regard to the efficient operation of the Supervisory Board. The Chairman's Committee was therefore dissolved on 14 May 2014. Since then, the Supervisory Board has had no other committees. In the opinion of the Supervisory Board, this is not in fact necessary, as the Supervisory Board comprises of only six members. In a panel of this size, efficient operation of the Supervisory Board is also guaranteed without the formation of committees.

5.3.2

The Supervisory Board should set up an Audit Committee.

Explanation: The Supervisory Board consists of six members. Due to the number of Supervisory Board members and the composition of the Supervisory Board, setting up a separate Audit Committee would

not increase the efficiency of the work performed by the Supervisory Board in relation to accounting, risk management, compliance and the auditing of the financial statements.

5.3.3

The Supervisory Board should form a Nomination Committee.

Explanation: The Supervisory Board of secunet Security Networks AG consists of only six members. All members are elected by the shareholders. An additional Nomination Committee has therefore not been set up.

5.4.1 Para. 2 and Para. 3 Clause 1

The Supervisory Board should stipulate specific targets with regard to its composition, which, taking into account the Company's specific situation, take its international operations, potential conflicts of interest, the number of independent Supervisory Board members as defined in Number 5.4.2, an age limit to be determined for Supervisory Board members, and diversity into consideration. In particular, these specific targets should provide for an appropriate proportion of female members on the Supervisory Board. Nominations by the Supervisory Board to the responsible election bodies should take these targets into account.

Explanation: On 31 March 2014 the Company updated its Declaration of Conformity and as a precaution declared a deviation from the aforementioned recommendations. The background to this declaration of non-compliance was that in the context of the Supervisory Board elections, which took place at the Ordinary General Meeting 2014, no female candidate could be put forward for election, even though this was aspired to based on the November 2013 resolution of the Supervisory Board concerning the concrete goals for its composition. The Supervisory Board addressed the aforementioned recommendations again in November 2014 and approved specific targets for its composition as defined in Number 5.4.1 Para. 2 of the German Corporate Governance Code. Following this resolution, particular efforts will continue to be made to put forward at least one woman for election to the Supervisory Board in the upcoming Supervisory Board elections at the Ordinary General Meeting 2019. This resolution by the Supervisory Board sees a return to compliance with the recommendations.

5.4.6 Para. 1 Clause 2

When setting the remuneration of Supervisory Board members, chairmanship and committee memberships are to be taken into account.

Explanation: Until 14 May 2014, the Company's Supervisory Board had one committee at its disposal, the Chairman's Committee. We did not consider a special chairmanship or Chairman's Committee membership remuneration to be appropriate, since meetings of the Chairman's Committee regularly took place closely linked to Supervisory Board meetings in terms of time and location. Since the dissolution of the Chairman's Committee on 14 May 2014, the Supervisory Board has had no other committees; there is therefore currently no question of a special chairmanship and committee membership remuneration.

secunet Security Networks AG

Essen, 26 November 2014

The Management Board

The Supervisory Board

Management Report

CONDENSED MANAGEMENT REPORT
REPORT ON THE POSITION OF THE
COMPANY AND THE GROUP FOR THE
2014 FINANCIAL YEAR

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1 Principles of the Group

1.1 Business model and Group structure

1.1.1 Business model of the Group

secunet Security Networks Aktiengesellschaft (hereafter referred to as “secunet AG” or “secunet”) offers consulting services, products and solutions in the field of IT security. secunet has developed a specialism in complex solutions and IT high security, working on demanding projects in which technologies and processes are consolidated. These are IT security areas, where applications are developed and offered for professional use, e.g. high-security cryptographic systems, Public Key Infrastructures (PKI) and secure electronic identities (eID). The range of solutions is mainly geared towards large-scale infrastructures. Customers usually receive customised solutions tailored to their individual requirements, even if they are based on standard applications.

1.1.2 Group and organisational structure

The secunet Group includes secunet Security Networks AG in Germany and the subsidiaries secunet SwissIT AG in Switzerland, secunet s.r.o. in the Czech Republic and secunet Inc., USA (shell company). The subsidiaries secunet s.r.o. in the Czech Republic and secunet SwissIT in Switzerland have been in liquidation since 2011.

secunet Germany has seven locations: Berlin, Dresden, Essen (headquarters), Frankfurt, Hamburg, Munich and Siegen. The consulting and development projects are handled at these sites in close collaboration with our customers. In Dresden, secunet also runs a Training Center, which is principally used for training users and administrators on the secure inter-network architecture *SINA*.

secunet Germany has a target group-oriented organisational structure. Two business units – Public Sector and Private Sector – are geared towards the needs of the target groups of public clients and international organisations, on the one hand, and private companies, on the other hand, offering consultancy services, products and solutions.

The offering in the Public Sector business unit comprises high security encryption technology with the main product *SINA* as well as extensive (consulting) services and products for governmental consumers. They also include services and solutions for automated border control systems (eGates, electronic official documents, etc.). The Business Sector business unit provides private companies with IT security consulting and solutions, with its special competences Automotive Security and IT Security for critical infrastructures (e.g. energy and water suppliers). Within these business units, the organisation has a process-oriented design and is targeted at an optimal use of the relevant markets and customers.

Giesecke & Devrient GmbH is the majority shareholder, with a direct holding of 78.96%, and parent company of secunet Security Networks AG. Giesecke & Devrient (G & D) is a leading international technology group based in Munich. The company, which was founded in 1852, develops, produces and sells products and solutions that deal with payment, secure communication and the management of identities. G & D has a leading competitive and technology position in these markets. The Group's customers above all include central banks and commercial banks, wireless service providers, companies as well as governments and authorities.

1.1.3 Products and services

The secunet product portfolio comprises services, hardware and software. The services include specialist consulting on IT security, software development and the development and implementation of comprehensive security solutions. When it comes to hardware and software, secunet covers the entire value chain, from design and development through to integration, operations, maintenance and support of products. The Company's core competence is the application of cryptographic procedures in system solutions.

1.1.4 Key sales markets

The target markets for secunet's products and services are public sector customers and the private sector. The target group for public sector customers serviced by the Public Sector business unit includes governmental organisations, the defence sector (including organisations such as NATO), EU organisations, the healthcare sector, security authorities and border police. In the private sector, the secunet Business Sector aims to cover the customer segments of telecommunications, automotive, providers and the manufacturing/production industry.

The Company's geographical key sales area is in Germany. secunet distribution activities abroad focus on EU countries, NATO member states, the Middle East, Asia and South America.

1.2 Corporate management

The secunet Group is managed by the secunet Security Networks AG Management Board in reference to financial key figures: These primarily relate to revenues and earnings figures (Group revenue and Group EBIT). The Management Board obtains comprehensive information about the state of business and these key figures at its twice-monthly meetings. The Management Board liaises regularly with the senior executives (business unit heads), who have operational responsibility, to discuss any distribution, product management and project management measures that may be required.

1.3 Research and development – innovation report

The research and development activities of secunet Security Networks AG aim at improving and innovating processes, products and solutions. secunet thus stays abreast of the growing need of its customers for higher security in existing infrastructures as well as for solutions dealing with threats in new technical environments.

secunet's research and development activities are strictly designed to minimise risks. secunet does not develop products unless there is concrete demand for them. Special solutions are largely developed on behalf of customers: this is common practice for suppliers to government bodies and in the high-security area.

secunet strategically bases its innovation efforts on three pillars:

- Promoting an innovation culture by offering incentives for new developments as well as regular and intensive specialist internal exchange and setting up a knowledge management infrastructure. This is supported by the fact that, in addition to a career in management, the personnel development plan also includes a career as a technical specialist;
- Cooperation and partnerships with customers, universities and associations in order to achieve synergies in research and development;
- organisational bundling of competences in the shape of product managers, which support the developments of innovation management up to the creation of market-ready products.

In addition, secunet employees are members of many national and international standardisation bodies and committees and therefore actively participate in checking, approving and implementing innovations in IT. On the one hand, this allows a valuable exchange of expertise to take place, which continually adds to the qualifications of employees. On the other hand, work on committees contributes to secunet extensively participating in technological developments early on.

2 Economic Report

2.1 Industry-related framework conditions

The prospects for the IT sector are measured by the BITKOM industry association (German Association for Information Technology, Telecommunications and New Media).

The information technologies market has been characterised by different developments in the last three years. Whereas the market for software consistently grew each year by more than 5%, the growth rate for IT services fluctuated around 2%. With the exception of 2014, during which there was a surprising increase due to replacement purchases of desktop PCs and notebooks, the market for hardware grew only slightly.

Security continues to be an important topic for the IT market. Since the so-called NSA affair became known during the course of 2013, the topic of "cyber security", i.e. protection against espionage and sabotage, created a very strong publicity effect. As a result, the German government set itself dedicated targets for IT security in the context of maintaining and expanding their IT infrastructures. A sensitisation is thus also achieved for companies. At the same time, IT security at companies still remains as the result of a benefit and economic efficiency calculation. The fundamental threat of cyber crime regarding such topics as hacking, PC viruses and phishing remains high or is even increasing. In addition, large social infrastructure projects such as the introduction of electronic IDs, the use of biometrics, the general increase in e-government applications as well as the ever more IT-dependent critical infrastructures (e.g. smart grid) bring up a number of (IT) security issues and are at the forefront of public concerns.

Additional support for this issue is provided by the IT security legislation that was passed by the German government in December 2014. In essence this means that IT security incidents must be reported and "IT minimum standards" must be maintained by the industry and particularly by operators of critical infrastructures. The target group thus delimited that could develop corresponding demand, represents an additional sales potential for secunet consulting services and solutions.

Specific market statistics for the IT security sector are not continuously collected. This market can therefore only be assessed indirectly: The IT security segment benefits from the performance of the sector as a whole. Security spending is directly dependent on the general level of spending on IT infrastructures.

2.2 Assessment of business performance 2014

At the time of publishing the Annual Report 2013, the Company's Management Board pronounced an optimistic estimate for the 2014 financial year: It anticipated a significant increase in both revenues and also earnings before interest and taxes (EBIT): the business results were expected to exceed those seen in the very successful year 2012. The actual development of the Company and the business results confirmed these expectations: The secunet Group achieved revenues of 82.2 million euros and an EBIT of 6.6 million euros. The Management Board judges development in the 2014 financial year to be very good.

2.3 Situation

2.3.1 Results of operations of the Group

The profit and loss account for the secunet Group in accordance with IFRS is presented according to the cost of sales-method.

2.3.1.1 Revenue performance

In the 2014 financial year, the revenue of the secunet Group grew by 18.3 million euros or 29%, from 63.9 million euros in the previous year to 82.2 million euros. This revenue performance was influenced particularly positively by a strong increase in the product business (revenues from trade goods, licences, maintenance and support), which was also due to the effects of recovery from postponed projects from the previous year. At the same time, revenues from services (the consulting business) remained almost constant.

The increase of revenues can be attributed to strong growth in the Public Sector business unit. The Public Sector business unit on the one hand offers its customers the *SINA* product family, i. e. solutions (software, hardware and management) for highly secure, cryptographic processing, transmission and storage of data of different confidentiality levels. On the other hand, it offers public customers a wide range of IT security products and services, from IT security consulting and training to products and consulting for electronic passports, automated (biometric) border controls, electronic tax advice ELSTER and the equipment of large infrastructures with high security technology and Public Key Infrastructures. Compared to the previous year, revenues in the Public Sector rose by 38%, from 50.1 million euros to 68.9 million euros. The Public Sector contributed the majority of revenues of the secunet Group in the 2014 financial year at 84% (previous year: 78%). Customers from the public sector in Germany and abroad, as well as from international organisations, therefore continue to constitute the focus target group of secunet.

At the same time, revenues in the Business Sector fell slightly to 13.3 million euros following 13.8 million euros in the previous year. This unsatisfactory development has been met with the appropriate measures and thanks to the future stronger focus on specific target groups and their demand, the growth path should once again be attained. The Business Sector offers (consulting) services and solutions for the specific requirements of companies in the private sector. The consulting services range from security assessments (so-called penetration tests) via security consulting, such as for security guidelines and their implementation, up to support for certification projects. The customer-specific solutions in the Business Sector are primarily focused on providers and operators of critical infrastructures such as telecommunications companies and providers, as well as demanding industries such as automotive and machine construction. As a result of the significantly higher revenues in the Public Sector, the contribution of the Business Sector to the Group revenues fell by 22% in 2013 to 16% in the past 2014 financial year.

At 3.1 million euros, the revenue from projects with the Giesecke & Devrient Group in the 2014 financial year was slightly higher than the previous year's figure of 3.0 million euros.

Sales of secunet products and services outside Germany increased by 12% from 8.3 million euros in 2013 to 9.3 million euros in the year under review. At the same time, the proportion of the Group revenue attributable to sales outside Germany fell from 13% in the previous year to 11%.

2.3.1.2 Earnings performance

The earnings before interest and taxes (EBIT) of the secunet Group clearly increased by 79% or 2.9 million euros compared to the previous year, rising from 3.7 million euros to 6.6 million euros. The EBIT improvement is a result of the significant increase in revenues in the product business – in this case expenses increased at a lower rate than the revenue.

Key cost items in the secunet Group in euros	2014	2013
Cost of sales	62,760,774.93	48,456,163.28
Selling expenses	9,092,391.02	8,139,071.55
General administration costs	3,715,924.19	3,624,232.57

The following individual developments in terms of costs occurred:

In the 2014 financial year, the cost of sales increased by 14.3 million euros or 30% from 48.5 million euros to a total of 62.8 million euros. The increase is directly linked to the development of revenues due to the growth achieved in the product business in the year under review. Materials expenses have increased correspondingly strongly. Materials expenses include the purchase of hardware components for products as well as third-party services received.

Compared with the previous year, selling expenses increased by 1.0 million euros or 12% from 8.1 million euros to 9.1 million euros. The increase is mainly due to the expansion of the sales capacities and the associated increasing personnel expenditure.

Expenses for research and development in the secunet Group only make up a relatively insignificant amount. For the most part they consist of expenses for personnel. Compared to the figure from 2013 of 7 thousand euros, the costs for R&D in the previous financial year 2014 have increased to 88 thousand euros.

General administration costs only increased slightly compared to the previous year's figure of 3.6 million euros to 3.7 million euros. The increase can be attributed to increased personnel expenditure.

The Public Sector business unit alone contributed to the increase in the EBIT. While the Business Sector business unit, in parallel to the slight decrease in revenue (-3%), recorded a decline in the EBIT of 2% from 427 thousand euros to 420 thousand euros, the EBIT in the Public Sector business unit rose disproportionately in relation to the revenue increase (+38%) by 90% from 3.2 million euros in the previous year to 6.1 million euros in the 2014 financial year. Therefore, the EBIT margin in the Public Sector increased from 6.5% in 2013 to 8.9% in the previous financial year 2014. The growing proportion of the product business is the reason for this margin improvement. The EBIT margin in the Business Sector was 3.1% in 2013 and 2014.

The interest income in the secunet Group increased by 99 thousand euros from 36 thousand euros in the 2013 financial year to 135 thousand euros in 2014. The income is a result of short-term loans made by secunet Security Networks AG to the parent company Giesecke & Devrient. Interest expense increased by 20 thousand euros from 133 thousand euros to 153 thousand euros. This predominantly concerns interest expense for pensions. Overall the interest result improved from -98 thousand euros to -17 thousand euros.

As a result, the earnings before tax were 6.5 million euros in the previous financial year 2014 after 3.6 million euros in 2013, which corresponds to an increase of 2.9 million euros or 84%. Tax on the result increased from 1.2 million euros in 2013 to 2.2 million euros in the 2014 financial year. The 1.0 million euros tax increase can be explained by the improved earnings, as at 33% the tax ratio remains the same as for the previous year.

As a result, the secunet Group generated a Group net income of 4.4 million euros in the 2014 financial year, which corresponds to an increase of 2.0 million euros or 84% compared to the previous year (2.4 million euros). Diluted and undiluted earnings per share in 2014 stood at 0.68 euros, compared with 0.37 euros in the previous year.

2.3.2 Results of operations of secunet Security Networks AG

However, in the separate accounts of secunet Security Networks AG issued pursuant to commercial law, the profit and loss account is presented using the nature of expense method.

In the 2014 financial year, secunet generated revenues of 84.3 million euros following 64.6 million euros in the previous year, an increase of 19.7 million euros or 31%. As several large projects were invoiced in the 2014 financial year, the balances were reduced by 1.7 million euros (previous year: 0.3 million euros). The difference from the revenue mentioned for the Group of 82.2 million euros is due to these inventory changes and to valuation differences between IFRS and the German Commercial Code (Handelsgesetzbuch, HGB), which in total make up 0.4 million euros. Other operating income increased from 0.5 million euros in 2013 to 0.8 million euros in the previous financial year 2014.

According to the nature of expense method, the development of the expenditure items (materials expenses, personnel expenditure, depreciations/amortisations and other operating expenses) as a whole also corresponds to the development within the secunet Group.

The following specific developments can be identified in reference to the expenditure items:

Key expenditure items in the secunet Security Networks AG in euros

	2014	2013
Materials expenses	33,178,087.89	21,353,097.54
Personnel expenditure	29,519,055.45	25,526,875.71
Depreciation and amortisation	1,321,222.70	1,295,152.70
Other operating expenses	12,432,923.09	12,538,383.42

Materials expenses increased by 11.8 million euros or 55% from 21.4 million euros in the previous year to 33.2 million euros. This was to do with the strong increase in the product business compared with the previous year. The cost of purchased services, which has only increased slightly by 0.4 million euros or 7% compared to the previous year, only make up a small contribution to the increase.

Personnel expenditure increased in 2014 by 16% or 4.0 million euros, from 25.5 million euros in the previous year to 29.5 million euros. The increase is mainly based on three causes. The first is the strong increase of the addition to provisions for variable remuneration elements due to the improved result. Secondly, the number of personnel of secunet Security Networks AG has increased: At the year-end 2014, the Company employed 16 more personnel than the previous year, which corresponds to a 5% increase. Thirdly, the general increase of the salary level has made an impact.

Depreciations and amortisations have remained almost constant at around 1.3 million euros (previous year: 1.3 million euros).

Other operating expenses are also almost unchanged compared to the previous year's level; at 12.4 million euros they are 0.1 million euros or 1% less than the previous year's figure of 12.5 million euros.

The overall expenses of secunet Security Networks AG were therefore 76.5 million euros in the 2014 financial year, after being 60.7 million euros in the previous year. The difference to the overall expenses of the secunet Group of 75.7 million euros in the 2014 financial year (previous year: 60.2 million euros) can be mainly explained by different provisions on the valuation of provisions as well as goodwill.

Overall, the above-mentioned effect led to an improvement in the earnings before interest and taxes (EBIT) in the 2014 financial year of 67%, from 4.2 million euros in 2013 to 6.9 million euros in previous reporting period. The 2014 financial result totalled -0.2 million euros, compared with -0.2 million euros in 2013. As a result, the earnings before income taxes of secunet Security Networks AG in the 2014 financial year were 6.7 million euros after 4.0 million euros in the previous year. Net income for the year increased from 2.5 million euros in 2013 to 4.3 million euros in 2014.

2.3.3 Financial and net asset positions of the Group

The balance sheet total of the secunet Group rose from 57.4 million euros on 31 December 2013 to 68.6 million euros on 31 December 2014.

secunet Group balance sheet,
assets
in euros

	31 Dec 2014	31 Dec 2013
Current assets		
Cash and cash equivalents	37,354,898.55	29,265,027.15
Trade receivables	17,098,705.60	15,363,069.15
Intercompany financial assets	74,922.31	371,905.64
Inventories	4,851,411.46	3,634,082.80
Other current assets	402,718.01	376,927.27
Income tax receivables	0.00	136,704.68
Total current assets	59,782,655.93	49,147,716.69
Non-current assets		
Property, plant and equipment	1,873,176.00	1,860,397.00
Intangible assets	101,693.00	133,737.00
Goodwill	2,950,000.00	2,950,000.00
Non-current financial assets	2,765,069.00	2,608,957.87
Deferred taxes	1,101,379.41	682,261.37
Total non-current assets	8,791,317.41	8,235,353.24
Total assets	68,573,973.34	57,383,069.93

On the assets side of the balance sheet, the following significant changes can be seen between the two balance sheet dates:

The amount of cash and cash equivalents increased by 8.1 million euros or 28% from 29.3 million euros to 37.4 million euros. This significant increase is caused by the sales-related growth in payments from the settlement of invoices by our customers, opposite which the still outstanding payment of own liabilities for goods received stands.

The amount of trade receivables rose by 11% or 1.7 million euros from 15.4 million euros as at 31 December 2013 to 17.1 million euros. This increase is directly linked to the increase in revenue in the secunet Group which was mainly generated in the fourth quarter of 2014. This has led to growth of the receivables portfolio. The amount of intercompany receivables has decreased compared to the end of 2013, from 0.4 million euros to 0.1 million euros.

Inventories increased from 3.6 million euros at 31 December 2013 by 34% to 4.9 million euros at the 2014 balance sheet date. This growth is due to increased storage with the aim of securing delivery capacity.

The active deferred taxes increased by 0.4 million euros from 0.7 million euros at 31 December 2013 to 1.1 million euros at 31 December 2014.

secunet Group balance sheet,
liabilities
in euros

	31 Dec 2014	31 Dec 2013
Equity and liabilities		
Current liabilities		
Trade accounts payable	9,300,125.85	7,306,479.12
Intercompany payables	4,689.41	25,773.19
Other provisions	7,334,662.40	5,001,701.68
Income tax liabilities	877,291.73	98,248.27
Other current liabilities	4,691,909.09	4,581,351.72
Deferred income	5,282,036.25	3,197,455.83
Total current liabilities	27,490,714.73	20,211,009.81
Non-current liabilities		
Deferred taxes	123,204.69	260,213.60
Provisions for pensions	5,191,728.00	3,718,796.00
Other provisions	101,434.00	114,111.00
Total non-current liabilities	5,416,366.69	4,093,120.60
Equity		
Share capital	6,500,000.00	6,500,000.00
Capital reserves	21,922,005.80	21,922,005.80
Reserve for treasury shares	-103,739.83	-103,739.83
Group profit carryforward	4,358,523.14	2,953,060.90
Group earnings for the period	4,368,586.90	2,375,887.54
Accumulated other comprehensive income/loss	-1,378,484.09	-568,274.89
Total equity	35,666,891.92	33,078,939.52
Total equity and liabilities	68,573,973.34	57,383,069.93

The liabilities side of the secunet Group balance sheet indicates the following significant changes when comparing between 31 December 2014 and 2013:

Trade accounts payable increased by 2.0 million euros or 27% from 7.3 million euros at 31 December 2013 to 9.3 million euros at 31 December 2014. This increase can be directly attributed to the good year-end business of the secunet Group, which was largely due to the product business. Liabilities regarding suppliers have increased correspondingly. The secunet Group is in a position to fulfil its payment obligations at all times.

Compared with 3.7 million euros at the reporting date 31 December 2013, provisions for pensions increased by 40% or 1.5 million euros to 5.2 million euros. The significant increase of provisions for pensions is mainly due to the reduced interest level. Applying the new IAS 19 revised 2011 means that the income statement remains free of the effects of actuarial gains and losses (e.g. due to interest rate fluctuations), because these must necessarily be posted in other comprehensive income/loss. As at 31 December 2014, actuarial losses of 1.2 million euros less active deferred taxes of 0.4 million euros were included in other comprehensive income/loss.

Group net income generated in the 2014 financial year of 4.4 million euros and the existing Group loss carryforward of 4.4 million euros, result in a total Group profit carryforward for the coming financial year of 8.8 million euros.

The sustainable profit generation of the secunet Group contributes to the equity increase, which increased by 2.6 million euros or 8% to 35.7 million euros compared to the previous year's reporting date 31 December 2014.

secunet did not take out any loans in either the 2013 or the 2014 financial year; all spending was financed with cash.

There were also no other outstanding loans, so the debt ratio was at 0%. A guarantee credit is available to secunet Security Networks AG at its key relationship bank as a security for customers within the framework of larger projects and for guarantees, for example for lessors of office space, in the amount of 6.0 million euros. As at 31 December 2014, the amount of this credit was 3.6 million euros (previous year: 3.6 million euros).

2.3.4 Financial and net asset positions of secunet Security Networks AG

The balance sheet structure of secunet Security Networks AG is not commented on separately, because in terms of the key items it is largely the same as that of the secunet Group as a whole.

The accounting measurement methods in the annual financial statements of the secunet Security Networks are different to those for the secunet Group, which reports in accordance with IFRS, largely when it comes to the presentation of receivables, inventories and provisions for pensions. A different measurement method is also used for goodwill, which according to the German Commercial Code (HGB) is amortised over 15 years, while IFRS only provides for unscheduled depreciations/amortisations after an impairment test.

The annual financial statements in accordance with the German Commercial Code (HGB) post trade receivables of 15.5 million euros and inventories of 6.3 million euros; in the consolidated financial statements, these are 17.1 million euros and 4.9 million euros respectively. The differences mainly result from the different accounting rules of IAS 18.

In addition, the annual financial statements in accordance with the German Commercial Code (HGB) include provisions for pensions of 2.6 million euros (these are 5.2 million euros in the consolidated financial statements). The reason for this is mainly different interest rates on which the defined benefit obligations are based.

Net income for the year realised in the 2014 financial year of 4.3 million euros, and the existing net accumulated profit from the previous year of 2.1 million euros, result in a total profit carryforward for the coming financial year of 6.4 million euros. At the Annual General Meeting, the Management Board and the Supervisory Board of secunet Security Networks AG proposed the distribution of 1,746,765.54 euros to the shareholders through the payment of a dividend of 0.27 euros per no-par value share and the carryforward of 4,646,541.25 euros.

2.3.5 Cashflow of the Group

The cashflow from operating activities rose from 6.6 million euros in the previous year to 10.2 million euros in the financial year 2014. The increase was primarily due to the improvement in the Group earnings for the period before taxes by 3.0 million euros to 6.6 million euros. The additional liquidity effects from changes in working capital (receivables and other assets, provisions, liabilities and deferred income) and tax paid contributed an additional 0.6 million euros to the operative cashflow (previous year: -0.1 million euros).

Cash funds of 1.3 million euros (previous year: 1.4 million euros) were spent on investment activity. This corresponds to a decline of 0.1 million euros compared to the previous year. Purchase of financial assets in the form of reinsurance contracts to cover pension commitments remained virtually unchanged compared to the previous year, while the purchase of intangible assets and of property, plant and equipment fell slightly by 0.1 million euros.

The cashflow from financing activities was 0.9 million euros lower in the financial year 2014 than in the previous year and was registered as an outgoing cash flow of 0.9 million euros. The increase in material costs is explained primarily by the fact that a dividend in the amount of approximately 1.0 million euros was paid out for the first time from the net income for the year 2013 to the shareholders of secunet Security Networks AG in the financial year 2014.

This resulted in a total increase in cash and cash equivalents of 8.1 million euros for the financial year 2014. Cash and cash equivalents at the 2014 year-end were therefore 37.4 million euros.

2.3.6 Investments of the Group

The increase in capital expenditures of 1.3 million euros in the 2014 financial year (previous year: 1.4 million euros) consists largely of the purchase of intangible assets and of property, plant and equipment. Spending was mainly on the procurement of new, and replacement of existing, hardware, software and other business and operating equipment. In the 2014 financial year, expenditure for this type of investment amounted to 1.1 million euros and went down by 10% compared to the previous year (1.3 million euros).

In the 2014 financial year, the purchase of financial assets was 0.2 million euros and were almost unchanged compared to the previous year.

The investments were made from liquid funds.

No significant investment projects that go beyond the normal limits are planned for the coming financial year.

2.3.7 Order book of the Group

The order book of the secunet Group in accordance with IFRS is 37.5 million euros at the end of 2014 and has therefore decreased by 7% compared to the amount of 40.3 million euros as at 31 December 2013.

The distribution of orders in the order book between the business units Public Sector and Business Sector correspond to the previous Group revenue split between the business units: As a result, the revenue contributions of the two business units is unlikely to change significantly in the short term. A relatively high proportion of services (consulting and development) in the order book will continue to ensure the good utilisation of employee capacities.

2.4 Employees

The creativity, motivation and integrity of our employees are integral factors for the success of our Company. Your commitment, flexibility and expertise are part and parcel of the strengths our Company has been shown to possess.

As at the end of the 2014 financial year, the secunet Group had 360 employees, which is 16 individuals or around 5% more than at the end of 2013. The increase in employees primarily took place in the productive areas development and consulting as well as in distribution.

The employees of secunet are highly qualified and exceptionally well trained. Our experts have comprehensive practical experience in project and development work. In addition, secunet places considerable emphasis on the further training of its employees, so that their level of knowledge is in line with the latest developments in the relevant field. In addition, secunet is also active in training.

The Company attaches importance to cooperative management that takes the needs and qualifications of employees into account. secunet abides by the management principle of “management by objectives” (MBO). MBO is a technique whereby personnel management is carried out on the basis of agreed objectives. It involves both top-down and bottom-up objectives. The top-down objectives are set by the corporate management. Bottom-up objectives are derived from these and agreed between business unit heads and individual employees. Monitoring of implementation and assessment of the agreed objectives occurs on a yearly basis: The results are then used as a basis for calculating a portion of the variable remuneration of the employees.

3 Report on Subsequent Events: Events after Conclusion of the Financial Year

No significant events occurred after the balance sheet date.

4 Forecast, Opportunities and Risk Report

4.1 Risk report

4.1.1 Risk management objectives and methods

Risk management at secunet Security Networks AG is conducted by a risk committee. This committee is composed of the Management Board, the business unit heads, the head of Corporate Strategy and the commercial director, and holds regular, quarterly meetings. Any developments that could jeopardise the fulfilment of objectives or even threaten the survival of the Company are subjected to intense scrutiny by the committee. The aim is to thereby ensure that information about risks and the associated financial implications is detected as early as possible. The existing opportunities and associated potential for results are also to be detected and taken advantage of as part of the planning and controlling process.

As part of the preparation for meetings of the risk committee, a comprehensive risk inventory takes place in each area of the Company. Following a rigorous bottom-up approach, the risks detected are aggregated and assessed as far as possible according to their damage extent and probability of occurrence.

The consolidated Company-specific risks are then discussed under a top-down approach as part of the risk committee meetings. The effects of risks and opportunities are not netted. A net presentation is shown when evaluating the effects of risks, i.e. the effects of any damage minimisation measures already taken are considered. Depending on the probability-weighted damage value of the risks (risk value), the further treatment of these risks is then determined. This ranges from documentation only for uncritical values via further observation (monitoring) to the need to take measures immediately (warning threshold). Insofar as the identified risks are quantifiable, the corresponding risk values (relating to the reporting date) are adopted in the reporting system.

Proposals for countermeasures are then drawn up, if required. The Management Board examines these measures and implements them promptly. During the course of the 2014 financial year, different risks were identified, which necessitated measures. For the main part, these related to the areas of distribution and production. The operative damage management implemented in these cases was able to contribute to moving the relevant risk value to significantly below the warning threshold in all cases.

The early risk detection and risk management system of secunet Security Networks AG is being continuously developed and improved.

4.1.2 Individual risks

The risks for the secunet Group are primarily focused on the areas of distribution (acquisition of orders) and production (project processing).

4.1.2.1 Competitive environment

The secunet Group generates the majority of its revenue with the SINA product family. With these products, secunet holds competitive advantages on several different levels. On the one hand, this is due to its technological leadership and, on the other, it is thanks to the wide range of approvals that have been gained for the individual products. Risks that endanger this competitive advantage are assessed regularly.

The risk committee keeps itself up to date regularly about any risks that could endanger secunet's technological superiority in the market. To this end, the status of technological development of secunet's products is checked and the opinion of expert employees is asked on whether and to what extent the Company's technological advantage is threatened by competitors' product developments. If necessary, risk reduction measures are triggered. These can take the form of accelerated development cycles, for example, or the inclusion of new application scenarios for secunet solutions.

The competitive national environment also means there are risks that rival businesses will attempt to challenge secunet's privileged market position in terms of business with German government agencies. In this case, secunet would be exposed to much greater competitive pressure in this target customer segment. These risks, too, are assessed and evaluated regularly by the risk committee and the Management Board.

Overall, the stated risks arising from the competitive environment at the time of creating this report are deemed to be manageable and so not critical.

As a result of the increasing attention given to the topic of IT security, an increasing demand for IT security products and solutions is expected. As a result, the market for IT security is also becoming more attractive for suppliers who have not previously been active on it. These potential new suppliers are increasing the competitive intensity and could endanger the market position of secunet – particularly in the Business Sector. In particular this concerns certified consultants, IT companies and the consulting areas of auditing companies. The assessment that the risk of increased competitive intensity and the opportunity of market growth due to increasing awareness are in balance is still valid.

4.1.2.2 Customer structure and distribution

Customer structure risk is present to the extent that secunet still conducts the majority of its business with public sector authorities and organisations. The loss of sections of demand from this customer group can have very negative effects on revenues and results. This risk has been discussed in depth by the risk committee. Investments in IT, and notably in IT security, are seen as particularly important for the smooth delivery of projects for the public sector, particularly in a world where information technologies play an increasingly important role. The risk of a downturn in demand from public sector customers is therefore constantly monitored, although it is currently considered to be relatively low. At the same time, a temporary shift of expected orders is a possibility, such as during so-called provisional budget management, during which the federal authorities are only able to use limited expenditure. During one year, this can cause a significant shift in the year's revenues; service revenues can even be missing completely because these cannot be repeated if capacities are fully utilised. Another risky area regarding the foreseeability of revenues relates to the often long-term decision-making processes for major projects. Measures for risk limitation in this case include the use of key account managers in distribution as well as regular coordination in partnership with major customers.

In order to be better placed in the medium term to react to the potential risk of a decline in demand from public-sector customers, and in order to reduce and compensate for any resulting decline in revenues and results, secunet is continuing to devote intensive efforts to the development of its activities for the private-sector target group.

A further risk can be seen in the fact that a large part of the revenue is concentrated on a few public consumers and companies. If one of these major customers is absent for even a short period of time and the corresponding expected orders are shifted, secunet's attainment of annual objectives may be endangered at the very least. In this case too, the use of key account managers in distribution can help towards risk reduction. Thanks to their close contact with the customer, they can ensure a timely reaction to changes in demand.

In addition, it is seen as a risk area for the further growth of secunet that the business results are still heavily influenced by the demand from the national environment. As a result, the expansion of high-performance international distribution, tapping of new markets and the acquisition of additional customers abroad will remain a focus of efforts for the future development of the Company.

4.1.2.3 Product development risks

Various ongoing projects are being carried out to ensure the technological enhancement of the *SINA* product family, and a number of them have a significant volume. To this extent, it is justifiable to consider the risks for secunet arising from such development projects.

To date, the risks associated with developing new products that subsequently prove unsuccessful on the market have not been of primary significance for secunet. Its IT high security solutions are tailored precisely to customers' requirements; secunet products are generally not designed without a specific need in mind. Most of the products developed by secunet are in fact made to order and are financed accordingly by the customer. This largely relates to the *SINA* product family in the high security business division. Even when it comes to biometrics and sovereign documents, product innovations such as the biometric middleware, secunet biomiddle, or the Golden Reader Tool platinum edition were developed as a result of issues raised during consulting activities. Therefore, development risks do not exist with regard to potentially waning demand.

The greatest risk for development projects is the underestimation of the time required until the new solutions are ready for acceptance. This can cause time and personnel expenditure, which limits the profitability of these projects. In order to keep these risks as low as possible, secunet uses extensive project planning and control mechanisms in different locations, compared with a dedicated reporting line. This part of the risk analysis and the risk management is identical to the activities that apply to major projects. For the area of development projects, the risk at the time of creating this report is classified as low.

4.1.2.4 Major projects

secunet is primarily active in the project business: Many projects relate to infrastructures and solutions that have been designed on an individual basis. In addition, IT security infrastructures are often associated with a large investment volume. There are two main risks for such major projects: the distribution risk and the project management risk. In addition, there are specific risks for very long-term major projects.

The distribution risk is the result of the costly and often protracted tendering and decision-making procedure to meet customer requirements. This places great limitations on the ability to plan for revenues, leading to a potential associated volatility in secunet's business. This distribution risk is continuously monitored as part of risk management and in the ongoing Management Board meetings and, if necessary, it is countered with suitable measures. These measures for reducing the distribution risk also often consist of establishing close contact and thus ongoing cooperation with the customer, through the use of dedicated key account managers, for example.

The project management risk arises after the commissioning of major projects: these projects are characterised by multiple uncertainties in their implementation due to the sheer fact of their size. The risk may then consist of the failure to maintain schedules and project budgets. secunet takes account of these risks by means of a comprehensive project management system, which is used to regularly create management reports for project managers, business unit heads and the Management Board. The risks arising from major projects are monitored continuously – in the same way as development risks – with comprehensive project-planning and control mechanisms, in conjunction with a risk-oriented reporting system. In the event of deviations from the set targets, measures to reduce the risk are resolved and implemented immediately. These can consist of making additional capacity available for processing the project or discussing deviations with the customer in order to bring expectations in line with the altered framework conditions.

In light of this extensive project management and controlling, the risk arising from major projects as at the reporting date is deemed to be low.

In very long-term projects that extend over periods of more than five years, there may be additional risks, for example because the solutions implemented reach the end of their technological service life (update problems, problems with out-dated technology). Furthermore, a replacement risk may be posed by suppliers who disappear from the market over the course of such projects. secunet counters these risks with strict risk monitoring by the project managers and the timely implementation of measures. Examples of these measures can be the securing of rights to solutions considered to be critical.

4.2 Opportunities

Different drivers have a positive effect on the growth of secunet:

4.2.1 Growth via increasing awareness

The increasing awareness regarding the issue of IT security in the last few years was strengthened by the media with the emergence of the so-called NSA scandal, which was published in the course of 2013. This can result in a positive trend for the demand for high-quality, trustworthy solutions “Made in Germany”. This relates both to the authorities, which are adding IT system and infrastructure security to their previous efforts, and to companies, which counter the now concrete risk of economic/industrial espionage with corresponding safeguards. An additional group is made up of providers of critical infrastructures, for which IT security is becoming ever more important. With the relevant distribution activities aimed at the authorities and companies, secunet intends to participate in this positive development of demand.

The increasing interest in IT security, which is also driven by media attention, and the subsequent growth in demand are also resulting in increasing competition. This must be taken into account when evaluating opportunities.

4.2.2 Growth via increasing regulation

The German federal government wants to increase the protection of critical infrastructures such as energy and telecommunications networks as well as that of IT systems. To this end, it has passed draft IT security legislation in December 2014. This results in growth opportunities on a variety of levels.

- The legislation will particularly affect operators of critical infrastructures, i.e. facilities that are of central importance to the community, such as the energy supply, for example. In the future they will need to meet specific IT security requirements. This will result in potential demand for implementation concepts for these requirements.
- Furthermore, the draft legislation further extends the role of the German Federal Office for Information Security (Bundesamt für Sicherheit in der Informationstechnik, BSI) and takes its growing significance as the focal point for IT security into account. Among other things, the BSI should be empowered to inspect and evaluate sensitive IT products and systems on the market with regard to their IT security and to publish the results if necessary. This could give rise to positive stimulus in the product business.

4.2.3 Growth through new markets

IT security solutions “Made in Germany” enjoy a good reputation across the world due to their quality and trustworthiness. The international demand for correspondingly high-quality solutions as offered by secunet is on the rise. Following the impact of the frequently mentioned NSA scandal, demand is likely to cause even greater differences by manufacturer countries of origin, from which secunet is also benefiting. The expansion of foreign activities via secunet’s own distribution and via local multipliers is to contribute to using these potentials.

4.2.4 Growth through acquisitions

In addition to organic growth on domestic and foreign markets, secunet has for years pursued the objective of triggering additional growth through M&A activities. Growth in the product area through acquisition of the relevant solution providers is promising. The market for companies with high-quality, reliable IT security solutions for processing classified information, on which secunet is active, is split into many small to medium-sized providers: The process of identifying promising targets is thus correspondingly laborious.

4.3 Overview of risks and opportunities

An overview of opportunities and risks, which could impact on the further development of the secunet Group, shows a promising evaluation overall.

The assessment revealed that the risks at the time of creating the report can generally be kept at bay and controlled and the identified risks, both individually and as a whole, do not represent risks that threaten the continued existence of the Company with regard to illiquidity or excessive debts in the reporting period of at least one year. In the operative management of the Group, measures were taken continuously to prevent an increase of the risk situation. At the same time, the use of the opportunities described above are driven forward with a number of activities. At the balance sheet date no significant quantifiable risks have been identified.

The presentation and evaluation of risks and opportunities also apply in the same way for secunet Security Networks AG.

4.4 Forecast

The framework conditions for the 2015 financial year give reason for optimism.

- For the domestic market, we are still expecting moderately increased demand. This affects both the Public Sector, i. e. business with public customers, and the Business Sector, which serves companies in the private sector.
- The foreign market holds significant growth potentials. secunet is generally in a good position to combat these. The employees in international (direct) distribution have many years of experience in the Company and in dealing with international customers.
- During the course of the year, secunet again increased the number of productive employees and can therefore convert increasing demand and high capacity utilisation into good business results.
- secunet's products and solutions have an excellent reputation and enjoy a growing demand both in Germany and abroad.

Nevertheless, risks might also be encountered in the coming year:

- secunet is still largely dependent on the procurement activities of the German federal authorities. The effects caused by a changing budget policy cannot be estimated at present. A negative consequence for secunet could be the occasional rescheduling or cancellation of planned projects, among other possibilities;
- Project business also holds both opportunities and risks: the scope of investment decisions for major projects, especially if these are part of a political process, can significantly delay the start of expected procurements. In addition, ongoing major projects always face the potential risk of incalculable delays or budget overruns.
- The attention focusing on IT security as a topic is driving the expectation of increasing demand. But attracted by this, increasing competition is also apparent, whose consequences cannot yet be foreseen.

At the time of issuing this report, the Company and the Group are in a good position in the opinion of the Management Board:

- The Company's economic and financial situation is good: Previous growth was achieved without declines in profitability, there are no loans and liquid funds are high.
- secunet has high-performing, motivated and highly qualified employees – providing an excellent basis of know-how.

- The Company's existing product and service portfolio stood up well to competition and is continuing to expand in close cooperation with the customers and their needs.
- The Company is well-known as a provider of high-quality and trustworthy IT security for the highest demands, and therefore has a stable and reliable (existing) customer structure.
- The market for IT security is growing; the dynamic technological development in IT continually creates new applications and demands – this opens up great opportunities also and especially in the area of IT security. secunet will be able to meet this demand well in future with optimised and new services, products and solutions.

Our foreign subsidiaries secunet SwissIT AG in Switzerland and secunet s. r. o. in the Czech Republic have ceased operations and are in liquidation. Therefore, the forecasts for the coming financial year apply to both secunet Security Networks AG and the secunet Group.

At the time this report was prepared, the secunet Group was in a good position. In the previous financial year revenues and the EBIT increased sharply and the year consequently ended with record results. The long-term development of the secunet Security Networks AG business results is following a growth trend and history has shown that a year of strong growth is regularly followed by stabilisation at the higher level reached. Against this background, the Management Board is expecting revenues and the EBIT for the 2015 financial year to remain at around the same level as for the previous year.

At the time this report was prepared, the secunet Group was in a good position. In the previous financial year revenues and the EBIT increased sharply and the year consequently ended with record results. The long-term development of the secunet Security Networks AG business results is following a growth trend and history has shown that a year of strong growth is regularly followed by stabilisation at the higher level reached. Against this background, the Management Board is expecting revenues and the EBIT for the 2015 financial year to remain at around the same level as for the previous year. The high revenues in the Public Sector for financial year 2014 were also due to the effects of recovery. In addition, in financial year 2014, measures were already being taken to revive the Business Sector. With this in mind, the Management Board expects that the relative revenue distribution in financial year 2015 will be shifted slightly in favour of the Business Sector.

5 Risk Reporting with regard to the Use of Financial Instruments

The financial management of the Company and the Group has a clear focus on the regulations and requirements applicable under corporate law. The aim is to ensure that all Group companies can operate as going concerns. The Group and its associated companies were in a position to fulfil their payment obligations at all times. The investment of liquid funds occurs on a strictly risk-minimising basis. The ongoing monitoring of liquid funds and the coordination with liquidity demands serve to ensure the ongoing ability to pay. This is also the main objective of financial management.

6 Description of the Key Features of the Internal Control and Risk Management System in relation to the Group Accounting Procedure (Article 289 Para. 5 and Article 315 Para. 2 Clause 5 of the HGB)

6.1 Elements of the internal control and risk management system

The secunet Group's internal control system includes all principles, procedures and measures for ensuring the effectiveness, efficiency and correctness of the accounting system and for ensuring compliance with the applicable legal provisions.

The secunet Group's internal control system consists of an internal control system and an internal monitoring system. The Management Board of secunet Security Networks AG – in its function as the managing body of the Company – has appointed managers responsible for the secunet Group's internal control system, in particular in the areas of controlling, finance and human resources that are run by secunet Security Networks AG.

Process-integrated and process-independent monitoring measures are the cornerstone of the secunet Group's internal monitoring system. In addition to manual process controls – such as the “four-eyes principle” – automatic IT process controls are also a key feature of the process-integrated measures. Process-integrated monitoring continues to be assured by means of committees such as the risk committee and by specific functions within the Group such as the legal unit.

The Risk Management System presented here primarily focuses on avoiding the occurrence of damage through risks.

The internal audit of secunet Security Networks AG is involved in the secunet Group's internal monitoring system through process-independent auditing functions.

6.2 Use of IT systems

At secunet Security Networks AG, accounting processes are mainly recorded by the ERP system provided by the manufacturer SAP.

6.3 Specific Group accounting-related risks

Specific risks related to Group accounting may arise, for example, from the conclusion of unusual or complex transactions or from business events that are not handled on a routine basis.

6.4 Key regulatory and controlling activities for ensuring the correctness and reliability of Group accounting

Controlling activities for ensuring the correctness and reliability of the accounting system include, for example, the analysis of data and developments using specific key figure analyses. The allocation of administrative, management, billing and approval functions and their implementation by separate people reduce the possibility of fraud. The organisational measures also focus on recording restructuring or changes in the business activities of individual business units properly and in good time in the Group accounts. They also ensure that, in the event of changes to the IT systems used for accounting in the Group companies, accounting procedures are fully recorded within the reporting period to which they relate. The internal control system also ensures the mapping of changes in the economic or legal environment of the secunet Group and ensures that the Group accounting is adjusted in line with new legal provisions or amendments to such provisions.

The secunet Group accounting principles, which include compliance with International Financial Reporting Standards (IFRS), ensure that the companies included in the consolidated financial statements of secunet Security Networks AG follow consistent accounting and measurement policies.

The internal control system measures, focussing on the correctness and reliability of Group accounting, ensure that business transactions are recorded in good time and in accordance with the law and the Articles of Association. It is also ensured that inventories are carried out correctly and that assets and debts are reported, evaluated and declared appropriately in the consolidated financial statements. Regulatory activities also ensure that reliable and transparent information is made available in the accounting documents.

6.5 Restrictive details

In spite of the mentioned internal organisation, control and monitoring structures, individual discretionary decisions, defective controls, criminal actions or other circumstances cannot be ruled out. This may lead to limited effectiveness and reliability of the internal control and risk management system used to the extent that the Group-wide application of the system cannot absolutely guarantee security regarding the correct, complete and timely recording of facts in the consolidated financial statements.

7 Information relevant to Acceptance: Information and Explanatory Report provided by the Management Board in line with Article 289 Para. 4 and Article 315 Para. 4 of the HGB

The Management Board of secunet Security Networks AG provides the following information for the 2014 financial year in line with Article 289 Para. 4 and Article 315 Para. 4 of the HGB:

1. The share capital of secunet Security Networks AG remains unchanged at 6,500,000 euros and is divided into 6,500,000 bearer shares with no par value. Each share entitles the holder to one vote at the Annual General Meeting of secunet Security Networks AG.
2. A restriction on the transfer of secunet shares may apply pursuant to the Foreign Trade and Payments Act (Außenwirtschaftsgesetz, AWG), owing to the products supplied by secunet Security Networks AG. Article 5 (3) Item 2 of the AWG stipulates that "Restrictions ... can particularly be imposed with reference to the acquisition of domestic companies or shares in such companies by foreigners in order to guarantee essential security interests of the Federal Republic of Germany if the domestic companies ... manufacture products with IT security functions to process classified state material or components essential to the IT security function of such products or have manufactured such products and still dispose of the technology if the overall product was licensed with the knowledge of the company by the Federal IT Security Agency." Apart from the restrictions under the AWG, the shareholders of secunet Security Networks AG are not restricted either by German law or by the Company's Articles of Association in their decisions on the acquisition or disposal of the Company's shares. In particular, the acquisition and disposal of shares do not require the approval of the Company's executive bodies or other shareholders in order to be valid. The voting rights of shareholders are not subject to any restrictions arising from either legislation or the Articles of Association of the Company. The Management Board is not aware of any agreements between shareholders that give rise to restrictions on the transfer of the Company's shares.

3. To the knowledge of the Management Board, up to approx. 10.38% of the Company shares are free floating. To the Management Board's knowledge, direct and indirect capital holdings exceeding 10% of voting rights are held by Giesecke & Devrient GmbH, Munich, Germany, which has a direct stake of 78.96%.

MC Familiengesellschaft mbH, Tutzing, Germany, has an indirect holding in secunet Security Networks AG via its 79.43% holding in Giesecke & Devrient GmbH (including secunet treasury shares). In turn, Verena von Mitschke-Collande, Germany, has an indirect holding in secunet Security Networks AG via her majority holding in MC Familiengesellschaft mbH of 79.43%.

4. secunet Security Networks AG has not issued any shares that grant special rights.
5. Like the rest of the Company's shareholders, employees who hold some of its capital also make their own decisions on the exercise of their voting and control rights and therefore exercise their control rights directly.

6. The Management Board of secunet Security Networks AG is appointed and dismissed in accordance with the applicable legal provisions, in particular Articles 84 and 85 of the German Stock Corporation Law (Aktiengesetz, AktG). The Articles of Association do not contain any special provisions governing the appointment and dismissal of either individual members or the entire Management Board. The Supervisory Board has sole responsibility for its/their appointment and dismissal. It appoints members of the Management Board for a maximum of five years. Members may be reappointed or have their term of office extended, in each case for a maximum of five years.

In accordance with Article 179 of the AktG, changes to the Articles of Association require a decision by the Annual General Meeting; changes that only affect the wording can also be conferred to the Supervisory Board. The amendment becomes effective upon entry in the Commercial Register. In accordance with Article 22 of the Articles of Association, the decisions of the Annual General Meeting require a simple majority of the votes cast, insofar as the Articles of Association or statutory legal provisions do not specify anything to the contrary. Article 10 Para. 5 of the Articles of Association entitles the Supervisory Board to decide on amendments to the Articles of Association that only affect the wording.

7. The Management Board is not entitled to issue new shares. The Articles of Association of secunet Security Networks AG do not provide for a provisory capital increase, nor do they include any entitlement for the Management Board to increase the share capital by issuing new shares in return for capital contribution (approved capital). Furthermore, as set out in Article 71 Para. 1 no. 8 of the AktG, there is no entitlement to purchase treasury

stock. As at 31 December 2011, the Company held 30,498 bearer shares, which it purchased on the basis of an authorisation issued during the Annual General Meeting held on 29 May 2001. As per the resolution of the Annual General Meeting of 27 May 2009, the Management Board is entitled to divest these shares on a stock exchange with the agreement of the Supervisory Board. The Management Board of secunet Security Networks AG had not made use of this authorisation as at 31 December 2014.

8. The Company has no significant agreements that are contingent upon a change of control due to a takeover bid.
9. The Company has concluded no remuneration agreements with any members of the Management Board or employees in the event of a takeover bid.

8 Management and Control – Reference to the Declaration of Corporate Governance pursuant to Article 289a Para 1 of the HGB

As a German public company limited by shares, secunet Security Networks AG has a dual management and control structure. The Group is managed by the Management Board, whose members are appointed by the Supervisory Board. The Supervisory Board advises the Management Board and monitors its conduct of business. A detailed explanation of the management of the secunet Group can be found in the Corporate Governance Report of secunet AG. This section also contains the Declaration of Corporate Governance in accordance with Article 289a, Para. 1 of the HGB. The Corporate Governance Report is permanently available via the secunet Security Networks AG website, at www.secunet.com.

9 Other Notes

9.1 Remuneration report

The remuneration report summarises the principles used to determine the remuneration of the Management Board of secunet Security Networks AG and sets out the amount and structure of the income received by its members. It also sets out the principles behind and amount of the remuneration received by the Supervisory Board and provides information on the shareholdings of Management Board and Supervisory Board members.

9.1.1 Remuneration of the Management Board

The Supervisory Board of secunet Security Networks AG is responsible for determining the remuneration of the Management Board. The Chairman's Committee of the Supervisory Board (committee for personnel matters) dealt with personnel matters of the Management Board up to and including 14 May 2014; its responsibilities include, in particular, drawing up proposals for the Supervisory Board regarding the structure and amount of remuneration paid to Management Board members. The members of the Chairman's Committee were Dr Peter Zattler, Chairman of the Supervisory Board, Dr-Ing. Wilhelm Wick, Deputy Chairman of the Supervisory Board, and Mr Hans Wolfgang Kunz, Member of the Supervisory Board. The Committee for Personnel Matters was dissolved on 14 May 2014 by the Supervisory Board.

In the 2014 financial year, the remuneration package was made up of four components: a fixed annual salary, a variable bonus, ancillary non-cash benefits and a contribution to the retirement pension. The Management Board remuneration package is broken down as follows:

- The fixed component is paid monthly in the form of salary.
- The variable component is based on the Company's results. It consists of one short-term component and one long-term component. The short-term component is calculated on the basis of the revenues and EBIT of the current financial year (here, 2014), while the long-term component is based on the average EBIT of the past three years (here, 2012–2014).
- Non-cash and other benefits essentially comprise the taxable values of company car usage.
- The retirement pension contributions paid to members of the Management Board are set out in their individual contracts of employment. These pension commitments provide for a life annuity with provision for dependants.

Management Board contracts do not expressly provide for any severance payment in the event that the employment relationship is terminated prematurely. In addition, Management Board contracts do not include any specific regulations to govern the event that a "change of control" occurs – that is when one or several shareholders acting jointly obtain the majority voting rights of secunet Security Networks AG and exert a dominating influence, causing secunet Security Networks AG to become a dependent company by means of the conclusion of an intercompany agreement within the meaning of Article 291 of the AktG, or in the event of the merger of secunet Security Networks AG with other companies.

The Management Board members do not receive any additional remuneration for the performance of their duties in the subsidiaries.

Following the recommendations of the German Corporate Governance Code (Deutschen Corporate Governance Kodex, DCGK), the remuneration of the secunet Security Networks AG Management Board is constituted as follows:

Contributions granted		Dr Rainer Baumgart Chairman				Willem Bulthuis* Management Board member			
in euros	2013	2014	2014 (min)	2014 (max)	2013	2014	2014 (min)	2014 (max)	
Fixed remuneration	230,004	230,004	230,004	230,004	195,000	195,000	195,000	195,000	
Ancillary benefits	26,672	26,882	26,882	26,882	19,685	16,760	16,760	16,760	
Total	256,676	256,886	256,886	256,886	214,685	211,760	211,760	211,760	
One-year variable remuneration (formation of provision)	36,000	36,000	0	72,000	32,000	32,000	0	64,000	
Multi-year variable remuneration (formation of provision)									
Profit Sharing 2013	54,464	0	0	0	54,464	0	0	0	
Profit Sharing 2014	0	62,700	0	100,000		62,700	0	100,000	
Total	90,464	98,700	0	172,000	86,464	94,700	0	164,000	
Pension expense (IFRS)	21,674	27,317	27,317	27,317	17,359	0	0	0	
Total remuneration	368,814	382,903	284,203	456,203	318,508	306,460	211,760	375,760	

Contributions granted	Thomas Pleines Management Board member			
in euros	2013	2014	2014 (min)	2014 (max)
Fixed remuneration	195,000	195,000	195,000	195,000
Ancillary benefits	21,417	21,610	21,610	21,610
Total	216,417	216,610	216,610	216,610
One-year variable remuneration (formation of provision)	32,000	32,000	0	64,000
Multi-year variable remuneration (formation of provision)				
Profit Sharing 2013	54,464	0	0	0
Profit Sharing 2014	0	62,700	0	100,000
Total	86,464	94,700	0	164,000
Pension expense (IFRS)	18,321	25,081	25,081	25,081
Total remuneration	321,202	336,391	241,691	405,691

Contribution	Dr Rainer Baumgart Chairman		Willem Bulthuis* Management Board member		Thomas Pleines Management Board member	
in euros	2013	2014	2013	2014	2013	2014
Fixed remuneration	230,004	230,004	195,000	146,250	195,000	195,000
Ancillary benefits	26,672	26,882	19,685	16,760	21,417	21,610
Total	256,676	256,886	214,685	163,010	216,417	216,610
One-year variable remuneration	7,497	56,989	6,664	0	6,664	50,657
Multi-year variable remuneration						
Profit Sharing 2013	47,422	0	47,422	0	47,422	0
Profit Sharing 2014	0	66,054				66,054
Total	54,919	123,043	54,086	0	54,086	116,711
Pension expense (IFRS)	21,674	27,317	17,359	0	18,321	25,081
Total remuneration	333,269	407,246	286,130	163,010	288,824	358,402

* Left company on 30 September 2014

The remuneration of members of the Management Board active during the reporting year totalled 876 thousand euros for the reporting year (previous year: 851 thousand euros) and was constituted as follows:

Total remuneration	Dr Rainer Baumgart Chairman		Willem Bulthuis* Management Board member		Thomas Pleines Management Board member	
in euros	2013	2014	2013	2014	2013	2014
Non-performance related components	256,676	256,886	214,685	163,010	216,417	216,610
Performance-related components	7,497	56,989	6,664	0	6,664	50,657
Components with long-term incentive	47,422	66,054	47,422	0	47,422	66,054
Total remuneration	311,595	379,929	268,771	163,010	270,503	333,321

* Left company on 30 September 2014

The pension entitlements of the Management Board members were as follows as at 31 December 2014:

in euros	In accordance with IFRS		In accordance with HGB		
	Present value	Current service cost	Scope of obligation	Provision	Bonus
Dr Baumgart	771,943	27,317	542,532	473,861	71,230
Bulthuis	165,647	0	97,450	97,450	22,086
Pleines	598,346	25,081	338,409	286,916	48,058

Owing to the right in accordance with Article 67 Para. 1 and 2 of the Introductory Act to the German Commercial Code (Einführungsgesetz zum Handelsgesetzbuch, EGHGB) to choose to annually add 1/15 to the difference resulting from the change in valuation under the German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz, BilMoG), there is a shortfall between the scope of HGB obligation and provision set aside, amounting to a total of 120 thousand euros.

As at 31 December 2014, as on the same day of the previous year, no Management Board members held any secunet shares.

The members of the Management Board do not receive any loans from the Company.

Furthermore, no member of the Management Board was promised or granted any benefits by a third party in the previous financial year in respect of his activity as a member of the Management Board.

Following mutual agreement, Management Board member Mr Willem Bulthuis resigned his Management Board mandate on 30 September 2014. In this context, the continuation of fixed remuneration plus ancillary benefits, which were previously contractually agreed, was agreed upon until 30 June 2015 as well as a compensatory amount for variable remuneration for the 2014 and 2015 financial years to the amount of 154 thousand euros. The employment relationship remains in existence until 30 June 2015. It can be ended early by Mr Bulthuis. In this case, for the residual term of the contract he will receive a basic salary reduced by 50% and only a pro-rata temporis proportion of the compensatory amount. The compensatory amount is paid in the month that ends the employment relationship, and in May 2015 at the latest.

9.1.2 Remuneration of the Supervisory Board

The remuneration of the Supervisory Board is laid down in Article 17 of the Articles of Association of secunet Security Networks AG. It is based on the tasks and responsibilities of the members of the Supervisory Board.

At the Annual General Meeting on 14 May 2014 new regulations for the Supervisory Board remuneration were introduced. The members of the Supervisory Board receive a fixed payment amounting to 8 thousand euros (previously: 4 thousand euros). The Chairman of the Supervisory Board receives a payment of 16 thousand euros (previously: 8 thousand euros), the Deputy Chairman of the Supervisory Board receives 12 thousand euros (previously: 6 thousand euros). If changes are made within the Supervisory Board during the year, remuneration is granted on a pro-rata basis. Travel expenses associated with Supervisory Board activities are refunded separately after being invoiced (previously: attendance fees to reimburse expenses on a flat rate basis).

For the 2014 financial year, the Supervisory Board salaries totalled 44.0 thousand euros (previous year: 33.0 thousand euros).

For the individual members of the Supervisory Board, the demands can be presented as follows:

	2014	2013	
in euros	Annual remuneration	Annual remuneration	Attendance fees
Ottenberg ¹	0.00	4,362.08	409.04
Deininger ⁴	5,084.93	0.00	0.00
Haniel ³	1,468.49	4,000.00	613.56
Kunz	9,084.93	4,000.00	613.56
Legge	6,542.46	4,000.00	818.08
Moritz ⁴	5,084.93	0.00	0.00
Schäfer ^{4, 5}	0.00	0.00	0.00
Warmke ^{2, 3}	1,468.49	635.62	204.52
Wick ³	2,202.74	6,000.00	818.08
Zattler	13,084.93	5,688.01	818.08
Total	44,021.90	28,685.71	4,294.92

¹ Renunciation of the Supervisory Board mandate on 19 July 2013.

² Appointment to the Supervisory Board by the district court on 4 November 2013.

³ End of the Supervisory Board mandate with the Annual General Meeting on 14 May 2014.

⁴ Start of the Supervisory Board mandate with the Annual General Meeting on 14 May 2014.

⁵ Renunciation of the Supervisory Board remuneration for the 2014 financial year.

The members of the Supervisory Board do not receive any loans from the Company.

The members of the Supervisory Board did not receive any other remuneration or benefits in the year under review for services provided personally, in particular consulting and agency services.

9.2 Management Board report in line with Article 312 Para. 3 of the AktG

Pursuant to Article 312 Para. 3 of the AktG, the Management Board has issued a report on the relations with affiliated companies for the 2014 financial year. The report contains the following closing statement: "It is hereby declared that our Company receives an appropriate consideration for each of the legal transactions listed. This assessment has been made on the basis of the circumstances known of at the time of the reportable proceedings. There were no further reportable legal transactions, measures or omissions in addition to the activities reported."

9.3 Forward-looking statements

This report contains forward-looking statements pertaining to the future development of secunet Security Networks AG and to economic and political developments. These statements are opinions that we have formed based on the information currently available to us. Should the assumptions on which these statements are based not be applicable or should further risks arise, the actual results may deviate from the results currently expected. We cannot therefore offer any guarantee as to the accuracy of these statements.

Essen, 12 March 2015

Dr Rainer Baumgart

Thomas Pleines

Consolidated Financial Statements

OF SECUNET SECURITY NETWORKS AKTIENGESELLSCHAFT

Consolidated balance sheet

(according to IFRS) as at 31 December 2014

Assets in euros	Note	31 Dec 2014	31 Dec 2013
Current assets			
Cash and cash equivalents	(1)	37,354,898.55	29,265,027.15
Trade receivables	(2)	17,098,705.60	15,363,069.15
Intercompany financial assets	(2)	74,922.31	371,905.64
Inventories	(4)	4,851,411.46	3,634,082.80
Other current assets	(2)	402,718.01	376,927.27
Income tax receivables		0.00	136,704.68
Total current assets		59,782,655.93	49,147,716.69
Non-current assets			
Property, plant and equipment	(3)	1,873,176.00	1,860,397.00
Intangible assets	(3)	101,693.00	133,737.00
Goodwill	(3)	2,950,000.00	2,950,000.00
Non-current financial assets	(5)	2,765,069.00	2,608,957.87
Deferred taxes	(6)	1,101,379.41	682,261.37
Total non-current assets		8,791,317.41	8,235,353.24
Total assets		68,573,973.34	57,383,069.93

Liabilities in euros	Note	31 Dec 2014	31 Dec 2013
Current liabilities			
Trade accounts payable	(7)	9,300,125.85	7,306,479.12
Intercompany payables	(7)	4,689.41	25,773.19
Other provisions	(9)	7,334,662.40	5,001,701.68
Income tax liabilities		877,291.73	98,248.27
Other current liabilities	(7)	4,691,909.09	4,581,351.72
Deferred income		5,282,036.25	3,197,455.83
Total current liabilities		27,490,714.73	20,211,009.81
Non-current liabilities			
Deferred taxes	(6)	123,204.69	260,213.60
Provisions for pensions	(8)	5,191,728.00	3,718,796.00
Other provisions	(9)	101,434.00	114,111.00
Total non-current liabilities		5,416,366.69	4,093,120.60
Equity			
Share capital	(10)	6,500,000.00	6,500,000.00
Capital reserves	(10)	21,922,005.80	21,922,005.80
Reserve for treasury shares	(10)	-103,739.83	-103,739.83
Group profit carryforward		4,358,523.14	2,953,060.90
Group profit		4,368,586.90	2,375,887.54
Accumulated other comprehensive income/loss	(10)	-1,378,484.09	-568,274.89
Total equity		35,666,891.92	33,078,939.52
Total liabilities		68,573,973.34	57,383,069.93

Consolidated income statement

(according to IFRS) for the period from 1 January 2014 to 31 December 2014

in euros	Note	1 Jan – 31 Dec 2014	1 Jan – 31 Dec 2013
Revenue	(11)	82,213,464.55	63,885,773.55
Cost of sales		-62,760,774.93	-48,456,163.28
Gross profit on sales		19,452,689.62	15,429,610.27
Selling expenses		-9,092,391.02	-8,139,071.55
Research and development costs		-87,600.67	-7,853.18
General administration costs		-3,715,924.16	-3,624,232.57
Other operating income		25.21	1,832.12
Other operating expenses		-2,643.00	0.00
Earnings before interest and income tax		6,554,155.98	3,660,285.09
Interest income	(13)	135,338.03	35,891.26
Interest expenses	(13)	-152,754.55	-133,405.96
Earnings before tax		6,536,739.46	3,562,770.39
Income taxes	(14)	-2,168,152.56	-1,186,882.85
Group profit		4,368,586.90	2,375,887.54
Earnings per share (diluted/undiluted)		0.68	0.37
Average number of shares outstanding (diluted, undiluted, units)		6,469,502	6,469,502

Consolidated statement of comprehensive income

(according to IFRS) for the period from 1 January 2014 to 31 December 2014

in euros	Note	1 Jan – 31 Dec 2014	1 Jan – 31 Dec 2013
Group profit		4,368,586.90	2,375,887.54
Items that cannot be transferred in the income statement			
Actuarial gains and losses from benefit-oriented plans		-1,196,026.00	460,406.00
Deferred taxes on comprehensive income		386,077.19	-148,619.06
		-809,948.81	311,786.94
Items that can be transferred in the income statement			
Currency conversion differences (change not affecting income)	(10)	-260.39	-14,362.93
Other comprehensive income/loss		-810,209.20	297,424.01
Consolidated comprehensive income/loss		3,558,377.70	2,673,311.55

Consolidated cash-flow statement

(according to IFRS) for the period from 1 January 2014 to 31 December 2014

in euros	1 Jan – 31 Dec 2014	1 Jan – 31 Dec 2013
Cashflow from operating activities		
Earnings before tax	6,536,739.46	3,562,770.39
Depreciation and amortisation of tangible and intangible fixed assets	1,124,602.70	1,094,952.70
Change in provisions	2,463,509.72	-1,627,880.42
Book gains/losses (net) on the sale of intangible assets and of property, plant and equipment	10,752.79	-1,832.12
Interest result	17,416.52	97,514.70
Change in receivables and other assets and prepaid expenses	-2,681,777.12	3,792,435.47
Change in liabilities and deferred income	4,167,696.14	1,560,502.98
Tax paid	-1,422,454.18	-1,833,672.28
Cash from operating activities	10,216,486.03	6,644,791.42
Cashflow from investing activities		
Purchase of intangible assets and of property, plant and equipment	-1,128,741.70	-1,255,174.70
Proceeds from the sale of intangible assets and of property, plant and equipment	12,651.21	12,168.12
Purchase of financial assets	-156,111.13	-172,203.46
Cash from investment activities	-1,272,201.62	-1,415,210.04
Cashflows from financing activities		
Dividend payment	-970,425.30	0.00
Interest received	135,338.03	35,891.26
Interest paid	-19,074.55	-11,346.96
Cash generated from financing activities	-854,161.82	24,544.30
Effects of exchange rate changes on cash and cash equivalents	-251.19	-13,888.28
Increase in cash and cash equivalents	8,089,871.40	5,240,237.40
Cash and cash equivalents at the beginning of the period	29,265,027.15	24,024,789.75
Cash and cash equivalents at the end of the period	37,354,898.55	29,265,027.15

For further explanations, see note (15).

Consolidated statement of changes in equity

(according to IFRS) for the period from 1 January 2014 to 31 December 2014

					Accumulated other comprehensive income/loss			Total
					Items that cannot be transferred in the income statement	Items that can be transferred in the income statement		
in euros	Share capital	Capital reserves	Reserve for treasury shares	Group profit carryforward	Revaluation of defined benefit pension plans	Deferred taxes	Miscellaneous	
Equity as at 31 Dec 2012	6,500,000.00	21,922,005.80	-103,739.83	2,953,060.90	-1,273,613.00	411,122.28	-3,208.18	30,405,627.97
Group profit 1 Jan–31 Dec 2013				2,375,887.54	0.00	0.00	0.00	2,375,887.54
Other comprehensive income/loss 1 Jan–31 Dec 2013				0.00	460,406.00	-148,619.06	-14,362.93	297,424.01
Equity as at 31 Dec 2013	6,500,000.00	21,922,005.80	-103,739.83	5,328,948.44	-813,207.00	262,503.22	-17,571.11	33,078,939.52
Group profit 1 Jan–31 Dec 2014				4,368,586.90	0.00	0.00	0.00	4,368,586.90
Other comprehensive income/loss 1 Jan–31 Dec 2014				0.00	-1,196,026.00	386,077.19	-260.39	-810,209.20
Dividend payment				-970,425.30	0.00	0.00	0.00	-970,425.30
Equity as at 31 Dec 2014	6,500,000.00	21,922,005.80	-103,739.83	8,727,110.04	-2,009,233.00	648,580.41	-17,831.50	35,666,891.92

For further information on the development of the Group's equity, see Note (10).

Notes to the consolidated Financial Statements

FOR THE 2014 FINANCIAL YEAR (ACCORDING TO IFRS)

General principles

Reporting company

secunet Security Networks Aktiengesellschaft (secunet AG) is registered with the district court in Essen, Germany (under HRB 13615). It is a listed company in the Prime Standard segment of the regulated market in Frankfurt. The address of the company's registered office is: secunet Security Networks Aktiengesellschaft, Kronprinzenstraße 30, 45128 Essen, Germany.

The secunet Group (hereinafter referred to as "the Group") provides telecommunications and information technology security services, in particular consultancy and systems solutions for information security and related activities.

Declaration of compliance with IFRS

The Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union. The requirements of Articles 315, 315 a Para. 1 of the German Commercial Code (Handelsgesetzbuch, HGB) have been met. The IFRS consist of the IFRS as newly issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and of the Standing Interpretations Committee (SIC). All standards and interpretations issued by the IASB and applicable at the time of the preparation of the Consolidated Financial Statements have been implemented, provided that they have been endorsed by the EU. In this respect the Consolidated Financial Statements of secunet AG comply with IFRS.

The Consolidated Financial Statements and Company and Group Management Report were released by the Management Board on 12 March 2015 following their preparation.

Disclosure

The Consolidated Financial Statements – as well as the Annual Financial Statements of secunet AG – are filed with the operator of the Federal Gazette and subsequently announced there. They are available for download on the website www.secunet.com. They may also be requested from secunet AG at the above address or inspected at the Company's business premises.

Parent company

The parent company is Giesecke & Devrient GmbH based in Munich, Germany. It holds a direct share of 78.96% in secunet AG.

The Consolidated Financial Statements of secunet AG are included, via the Consolidated Financial Statements of Giesecke & Devrient GmbH, Munich, in the Consolidated Financial Statements of MC Familiengesellschaft mbH, Tutzing, which prepares the consolidated financial statements for the largest group of companies. The Consolidated Financial Statements of MC Familiengesellschaft mbH are filed with the operator of the Federal Gazette.

First-time adoption of new and modified standards and interpretations

Compared with the Consolidated Financial Statements as at 31 December 2013, the following new and modified standards and interpretations were to be applied for the first time following the EU endorsement or entry into force of the standard/interpretation:

Standard/interpretation	Key amendment	Entry into force for financial years commencing on or after:
New standards		
IFRS 10	Consolidated Financial Statements	1 January 2014
IFRS 11	Joint Arrangements	1 January 2014
IFRS 12	Disclosure of Interests in Other Entities	1 January 2014
Modified standards		
Amendments to IFRS 10, 11 and 12	Transition regulations	1 January 2014
Amendments to IFRS 10, 12 and IAS 27	Investment Entities	1 January 2014
Amendments to IAS 27	Separate Financial Statements	1 January 2014
Amendments to IAS 28	Shares in associate companies and jointly controlled entities	1 January 2014
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014

The application of the modified standards did not have any material impact on the Consolidated Financial Statements.

New accounting rules

The following standards and interpretations had been published as at 31 December 2014 but were either not yet required to be applied in accordance with the provisions of the respective standard or interpretation, or had not yet been endorsed by the EU.

Standard/interpretation	Key amendment	First-time adoption
New standards (still to be endorsed by EU)		
IFRS 9	Financial Instruments	2018 financial year
IFRS 14	Regulatory Deferral Accounts	2016 financial year
IFRS 15	Revenue from Contracts with Customers	2017 financial year
Modified standards (not yet endorsed by the EU)		
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	2016 financial year
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	2016 financial year
Amendments to IAS 1	Explanatory Notes	2016 financial year
Amendments to IAS 16 and IAS 38	Acceptable Methods of Depreciation and Amortisation	2016 financial year
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants	2016 financial year
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	2015 financial year
Amendments to IAS 27	Equity Method in Separate Financial Statements	2016 financial year
Improvements to IFRS 2010–2012	Amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38	2015 financial year

Standard/interpretation	Key amendment	First-time adoption
Improvements to IFRS 2012–2014	Amendments to IFRS 5, IFRS 7, IAS 19, IAS 34	2016 financial year
Amended standards (EU endorsement completed by 31 December 2014)		
Improvements to IFRS 2011–2013	Amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40	2015 financial year
New interpretations (EU endorsement completed by 31 December 2014)		
IFRIC 21	Levies	2015 financial year

An early adoption of these standards and interpretations is not planned. No material effects on the secunet Consolidated Financial Statements are expected as a result of adopting these standards. The effects of the IFRS 15 have not yet been fully assessed.

Accounting principles

The present Consolidated Financial Statements as at 31 December 2014, with the exception of the amendments due to the first adoption of new or amended IAS/IFRS above, have been prepared using the same accounting and measurement methods and the same methods of computation as in the previous year. Items in the balance sheet as at 31 December 2014 are classified by maturity. The income statement is based on the cost-of-sales method. In order to improve the clarity of presentation, various items in the Group balance sheet and Group income statement have been summarised and are explained in the notes.

The Consolidated Financial Statements of secunet AG are presented in euros. All amounts are stated in euros, unless indicated otherwise.

Consolidated Group

In addition to secunet Security Networks AG, the Consolidated Financial Statements include all associate companies that are controlled by secunet AG. Control is considered to exist if secunet has the authority to dispose of the associate company, has a right to variable returns from the participation and has the opportunity to use the authority to dispose of the associate company in a way that can influence the variable returns. In the reporting year and in the previous year, there were no non-controlling shares (minority interests) in equity or in profit or loss for the period.

As at 31 December 2014, the consolidated Group consisted of the parent company secunet AG and two subsidiaries, as in the previous year. In accordance with IFRS, the subsidiaries report the following figures:

- secunet SwissIT AG, Switzerland, Solothurn, 100% participation, equity of the Company as of 31 December 2014 76 thousand CHF, net income for 2014 -2 thousand CHF.
- secunet s.r.o., Czech Republic, Prague, 100% participation, equity of the Company as of 31 December 2014 3,826 thousand CZK, net income for 2014 -190 thousand CZK.

The two consolidated subsidiaries secunet s.r.o., Prague (Czech Republic) and secunet SwissIT AG, Solothurn (Switzerland) are in liquidation.

Secunet Inc., Austin, Texas (USA), 100% participation (shell company), is no longer operational and has not been consolidated since financial year 2002 on the grounds that it is not material.

The Group's accounting and measurement policies are applied consistently to the financial statements of secunet AG and of the foreign subsidiaries included in the consolidated financial statements. The reporting date for secunet AG and for all consolidated companies is 31 December 2014.

Basis of consolidation

Capital consolidation is carried out in accordance with the purchase method. When consolidated for the first time, the price of the acquisition is offset against the remeasured equity. The assets and liabilities of the acquired subsidiary are recognised at their fair values. Any remaining difference is recognised as goodwill in accordance with IFRS 3 and subjected to an annual impairment test.

Both expenses and income and receivables and payables between the consolidated companies are eliminated. Intercompany profits are eliminated unless they are immaterial.

Write-downs of shares in consolidated companies that have been carried out in individual financial statements as well as intercompany receivables are reversed within the framework of consolidation.

Reporting currency

The Group's reporting currency is Euro.

Subsidiaries' annual financial statements prepared in foreign currency are translated in accordance with the functional currency concept into euros. In the Consolidated Financial Statements, the balance sheet items of all foreign companies are converted from the local currency into euros at the average exchange rates prevailing on the balance sheet date, as the functional currencies of the foreign subsidiaries are its local currencies. The currency conversion capital reserve encompasses all foreign currency differences on the basis of the conversion of the financial statements of foreign subsidiaries. Expense and income items are translated at average yearly exchange rates.

For the currency conversion, the following exchange rates were used in respect of currencies of countries not belonging to the European Monetary Union:

1 Euro =	CHF	CZK
31 Dec 2014	1.2028	27.7130
Average 2014	1.2132	27.5458

Financial instruments

Financial assets and financial liabilities are recognised if a Group company is party to the agreement on the financial instrument.

Financial assets or liabilities are initially recognised at the cost of acquisition, which corresponds to their fair value plus transaction costs.

They are grouped into one of the following categories at the time of acquisition:

- Loans and receivables
- Financial liabilities measured at amortised cost
- Financial assets measured at fair value through profit or loss

Loans and receivables and financial liabilities measured at amortised cost

These are non-derivative financial assets or liabilities with fixed or determinable payments that are not listed on an active market. They are measured at amortised cost minus any required impairments using the effective interest method.

Loans and receivables encompass trade receivables, cash and cash equivalents and other current assets.

Financial liabilities measured at amortised cost encompass trade accounts payable and other current liabilities.

Financial assets measured at fair value through profit or loss

Financial assets are measured at fair value through profit or loss if the financial asset is either held for trading purposes or is designated as being measured at fair value through profit or loss.

Financial assets are not currently held for trading purposes.

A financial asset is designated as being measured at fair value through profit or loss if this approach substantially reduces or removes any inconsistencies with regard to measurement and disclosure that would otherwise arise.

Financial assets that are measured at fair value through profit or loss include long-term financial instruments. These include the premium reserve shares from reinsurance contracts. As part of the fair-value hierarchy of IFRS 13, reinsurance contracts are subject to a level 1 evaluation based on observable parameters (market prices). For this purpose, the shares of the premium reserve registered by the reinsurance companies are used. In the 2014 financial year, there were no transfers between evaluation levels.

Financial assets measured at fair value through profit or loss are measured at fair value. Any profit or loss resulting from the measurement is recognised in the income statement. The net profit or loss recorded includes any dividend or interest from the financial asset and is reported under “General administrative costs” in the Consolidated Income Statement.

Loans and receivables and financial assets are derecognised when the Company gives up control of the contractual rights that comprise the financial asset. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Details of the type of financial instruments including material contractual agreements on maturities and other terms and conditions that may affect the amount, timing and probability of occurrence of future cash flows are given elsewhere in these notes (Note 2).

If, in the case of financial assets measured at amortised cost, there are objective and substantial grounds for impairment, a test is carried out to determine whether the carrying amount exceeds the present value of the expected future cash flows. Indications of impairment include a material deterioration in credit rating, significant delays in payment or the insolvency of the borrower.

Cash and cash equivalents

The Group regards all highly liquid assets for which withdrawal or usage is not restricted as cash and cash equivalents. Alongside cash in hand and deposits held at call with banks, these also include short-term bank deposits with original maturities of three months or less. The valuation is based on the respective par value.

Inventories

Inventories, which consist almost exclusively of trade goods, are measured at the lower of historical cost or cost of production or net realisable value less costs not yet incurred. Historical cost is calculated in accordance with the weighted average cost method.

Property, plant and equipment

“Property, plant and equipment” consists exclusively of office and operating equipment and is measured at historical cost less accumulated depreciation. When items of property, plant and equipment are disposed of or retired, their historical costs, accumulated depreciation and impairment are eliminated from the balance sheet and the gain or loss resulting from their sale is recognised in the income statement. Historical costs also include individually attributable additional and subsequent costs of acquisition. Purchase price reductions are offset.

Subsequent costs are only included in the asset's carrying amount or recognised as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Depreciation is based on the useful economic life and is between three and ten years. Depreciation is on a straight-line basis.

The assets' carrying amounts and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Intangible assets

Intangible assets with a finite useful life are measured at historical cost plus additional costs of acquisition less accumulated amortisation calculated using the straight-line method. Acquired software is amortised over three years on a straight-line basis.

Costs incurred in preserving the original economic benefits of existing software systems are recognised as an expense when the maintenance work is carried out.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired company at the date of the acquisition.

Under IFRS 3 in conjunction with IAS 36 and IAS 38, goodwill is not amortised. It is instead subjected to an annual impairment test and carried at cost less accumulated impairment losses.

Where a cash-generating unit is sold, the relevant share of goodwill attributable to that unit is taken into account when calculating the profit from the sale.

Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of the impairment test, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Where there is an indication that the impairment no longer exists or has decreased, the impairment reversal is recognised as income in the income statement for the asset in question. There were no impairments or impairment reversals in the reporting year.

In impairment testing, goodwill acquired in a business combination is allocated to those cash-generating units that are expected to benefit from the synergies arising from the business combination. Impairment testing is carried out on an annual basis and additionally whenever there are indications of impairment in the respective cash-generating unit.

If the carrying amount of the cash-generating unit exceeds its recoverable amount, the carrying amount of the goodwill allocated to this cash-generating unit must be reduced by the amount of the difference. Impairment losses already recognised are not reversed in this process. If the impairment of the cash-generating unit exceeds the carrying amount of the goodwill allocated to it, the remaining impairment loss is recognised by reducing, on a pro-rata basis, the carrying amounts of the cash-generating unit's identifiable assets.

Income tax

Income tax expense is calculated on the basis of the profit for the year and takes into account deferred taxes. In accordance with IAS 12, deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the IFRS financial statements and the amounts used for tax purposes. Deferred income tax assets also comprise tax reduction claims that arise from the expected use of existing loss carryforwards in subsequent years. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is calculated using the tax rates (and laws) that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax is recognised in the income statement as tax income or expense, except to the extent that they are directly linked to equity or items included in other comprehensive income/loss.

Leases

Leases of property, plant and equipment where the Group has substantially borne all of the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. After first recognition, assets are shown in accordance with the accounting methods to be applied to this asset. The lease instalments are divided into a financing element and a repayment element.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Other provisions

Other provisions comprise all legal and constructive obligations towards third parties identifiable at the balance sheet date that are based on past events and where the amount can be reliably estimated, and where an outflow of economic benefits is likely to perform this obligation. The provisions are recognised in the amount of the best estimate of the expected settlement value. Possible claims for reimbursement are not offset against the provisions.

Provisions for pensions

In accordance with IAS 19, pension provision is measured using the projected unit credit method for defined benefit plans. This means that future obligations are measured using actuarial methods to estimate the relevant variables and to determine their present value.

All actuarial gains and losses are recorded in the accumulated other income/loss. Reported pension provisions are based on actuarial certificates issued by an independent actuary.

Pension commitments under defined contribution plans are recognised in the relevant functional areas as expenses for employee services in the period in which the employee provides the related services.

Prepaid expenses and deferred income

Payments made or received for agreed future obligations are recognised at the time of the cash flow and written back to the income statement over the term of the agreement.

Equity

The share capital is 6,500,000.00 euros. It is divided into 6,500,000 bearer shares without par value. All shares are fully paid.

secunet AG's capital reserves were at 1,902,005.80 euros resulting from payments by the shareholder before the transformation of secunet AG into a public company. The price premium paid in the initial public offering accounts for 20,020,000.00 euros of the total. This is available for the purposes of offsetting any losses incurred and for capital increases from the Company's own funds.

Treasury shares

Treasury shares are shares in secunet AG held by the Company itself. The acquisition of treasury shares is shown in the Consolidated Financial Statements as a change in equity (capital reserves for treasury shares). No gain or loss is shown in the income statement for the sale, issue or recalling of treasury shares. The consideration in such transactions is recognised in the Consolidated Financial Statements as a change in equity.

Revenue recognition

Revenues are recognised when it is probable that the future economic benefits associated with the corresponding transaction will flow to the Company and when the amount of revenue can be reliably measured.

Revenues are shown net of value-added tax and any discounts when the sale of goods or services has taken place and the risks and rewards associated with ownership have been substantially transferred.

Proceeds from the sale of goods are recorded according to IAS 18.14, if control and the main risks and opportunities are transferred to the buyer.

According to IAS 18, revenue from services is recognised with reference to the estimated stage of completion of the transaction, provided that the criteria under IAS 18.20 are met. Work already done for clients as at the balance sheet date but not yet invoiced is recognised as revenues in the amount of the work already carried out in relation to the overall service to be performed. The stage of completion is subject to an estimate to the extent that the total costs incurred can only be estimated at the time of measurement. Loss-free valuation is used. The resulting balance sheet entry is recognised under trade receivables.

Revenue recognition for separately identifiable components of a single transaction follows IAS 18.13. Transactions with separately identifiable components are contracts where the buyer receives a service in addition to a good. The existing recognition criteria are to be applied separately to each component of the transaction.

Revenue from contractual services that are to be performed in a period subsequent to the balance sheet date and have already been invoiced is deferred and then recognised in the income statement over the agreed term.

Assumptions and estimates

In the preparation of the Consolidated Financial Statements, assumptions and estimates were made that affected the reported amounts of assets, liabilities, income and expenses. These assumptions and estimates relate primarily to an estimate of the value of receivables (Note 2), the recognition and measurement of provisions (Notes 8 and 9) and the recognition of revenue in the case of services (see section on Revenue recognition). For the purposes of calculating the value in use of the cash-generating units, as part of the impairment test for the goodwill, estimates and assumptions are required for determining the future cash flows from the cash-generating unit and for the calculating the discounting rate (see Note 3, Goodwill).

In some cases, actual results may differ from these estimates and assumptions. Changes are taken into account in the income statement at the time when better knowledge becomes available. Actuarial gains and losses from the assessment of the pension provision are recorded in other income.

Discretionary decisions

Discretionary decisions largely results when determining cash-generating units for the purpose of goodwill impairment testing (see Note 3) and when categorising financial assets and liabilities (see Notes 2 and 5).

Notes to the balance sheet

The balance sheet is classified into non-current and current assets and liabilities. Assets and liabilities due within one year are recognised as current.

In accordance with IAS 12, deferred tax balances are recognised as non-current assets and liabilities.

(1) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances.

The movement in cash and cash equivalents is shown in the cash flow statement.

(2) Receivables and other assets

The residual term of all receivables was less than one year.

Trade receivables of 17,098,705.60 euros (previous year: 15,363,069.15 euros) include an accrued amount for consultancy services to customers not yet charged on 31 December 2014 of 1,769,824.65 euros (previous year: 3,888,680.63 euros). All intercompany financial assets also result from trade receivables.

The maturities of all trade receivables are as follows:

Days overdue in euros	31 Dec 2014	31 Dec 2013
Not due	14,964,926.91	14,581,994.79
1–30	1,747,269.00	1,043,709.00
31–90	378,743.00	44,453.00
91–180	7,722.00	47,193.00
181–360	74,967.00	17,625.00
>360	0.00	0.00
Total	17,173,627.91	15,734,974.79

The valuation allowances for trade receivables and intercompany financial assets were as follows:

in euros	2014	2013
As at 1 Jan	0.00	22,342.00
Added	0.00	0.00
Released	0.00	-22,342.00
As at 31 Dec	0.00	0.00

A valuation allowance is posted to a separate valuation allowance account in cases where receivables are clearly overdue (> 180 days) and owed from non-public-sector clients or in the event of special information in individual cases. The receivable is derecognised in the income statement in the event of established insolvency or in cases where the receivable is estimated to be irrecoverable for other reasons.

Unimpaired receivables not yet due and other assets are assessed as being of value by the Management Board.

Additions to and reversal of valuation allowances are recorded in the income statement under sales and marketing expenses.

Other current assets amounting to 402,718.01 euros (previous year: 376,927.27 euros) are primarily other trade receivables, travel expense advances to employees, advance payments for future services and other receivables. No impairments were made.

(3) Property, plant and equipment and intangible assets

Property, plant and equipment

The movement in property, plant and equipment, which consists exclusively of office and operating equipment, may be summarised as follows:

in euros	2014	2013
Accumulated historical cost as at 1 Jan	8,797,315.77	8,056,695.12
Additions	1,085,541.70	1,153,326.80
Disposals	-672,613.94	-412,706.15
As at 31 Dec	9,210,243.53	8,797,315.77
Accumulated depreciation and amortisation as at 1 Jan	6,936,918.77	6,313,601.12
Additions	1,049,358.70	1,027,680.80
Write-ups	0.00	-1,993.00
Disposals	-649,209.94	-402,370.15
As at 31 Dec	7,337,067.53	6,936,918.77
Carrying amount as at 31 Dec	1,873,176.00	1,860,397.00

There were no restrictions on disposal or fixed assets pledged to lenders.

Intangible assets

The movement in intangible assets may be summarised as follows:

in euros	2014 Goodwill	2014 Intangible assets	2013 Goodwill	2013 Intangible assets
Accumulated historical cost as at 1 Jan	2,950,000.00	1,331,723.87	2,950,000.00	1,236,061.72
Additions	0	43,200.00	0	101,847.90
Disposals	0	-20,500.56	0	-6,185.75
As at 31 Dec	2,950,000.00	1,354,423.31	2,950,000.00	1,331,723.87
Accumulated amortisation as at 1 Jan	0	1,197,986.87	0	1,134,907.72
Additions	0	75,244.00	0	69,264.90
Disposals	0	-20,500.56	0	-6,185.75
As at 31 Dec	0	1,252,730.31	0	1,197,986.87
Carrying amount as at 31 Dec	2,950,000.00	101,693.00	2,950,000.00	133,737.00

Regular depreciations are recorded under the area of activity associated with the asset. There were no unscheduled depreciations in the year under review.

There were no development costs requiring recognition as an asset in financial year 2014 (the same as the previous year).

Goodwill

The breakdown of the goodwill carrying amount by segment is as follows:

Carrying amount of the goodwill in thousand euros	31 Dec 2014	31 Dec 2013
Public Sector	2,668	2,668
Business Sector	282	282
Total	2,950	2,950

Goodwill was allocated to the cash-generating units in accordance with the Group's management structure. These cash-generating units represent the lowest reporting level in the Group at which goodwill can be monitored by the management for internal management purposes. Cash-generating units correspond to segments.

The secunet Group is split into two business units, the Public Sector and the Business Sector.

In conjunction with a restructuring process as of 1 January 2013, the redistribution of the goodwill acquired was carried out applying IAS 36.87 according to a relative valuation.

In testing goodwill for impairment in accordance with IAS 36, the recoverable amount of the individual cash-generating unit is determined by its value in use. A unit's value in use is calculated from the present value of its future cash flows. Cash flows are determined based on the EBIT determined as part of annual planning. This is forwarded to Noplat (net-operating-profit less adjusted taxes) and adjusted for depreciation and investments. A discount rate (WACC) of 9.21% was used for this calculation (previous year: 9.98%). A risk-free interest rate of 2.5% (previous year: 2.5%), a risk premium of 5.5% (previous year: 5.5%) and a beta factor of 1.22 (previous year: 1.36) are used to calculate the discount rate. Since the Company largely operates in the European Economic Area, standardised parameters are used for all cash-generating units. The underlying projections employed for the test are based on a period of three years and take into account past experience and the management's expectations regarding the future development of the market, while also considering growth in the detailed planning period. Projections further into the future are made by extrapolating cash flows in perpetuity with factoring in a growth rate of 0.5% (previous year: 0.5%) for value in use.

As the present value of future cash flows exceeded the carrying amounts of the goodwill, no impairment of goodwill was necessary. As part of a sensitivity analysis, the discount premium was increased by 1% and flat-rate discounts of 10% were applied to the expected cash flows from the individual cash-generating units. Even under these conditions there was no need for impairment with regard to any of the goodwill allocated to the cash-generating units.

(4) Inventories

in euros	31 Dec 2014	31 Dec 2013
Trade goods	4,830,357.50	3,609,265.91
Consumables	21,053.96	15,136.89
Payments made	0.00	9,680.00
Total	4,851,411.46	3,634,082.80

Trade goods are measured at historical cost calculated using a sliding average.

In the financial year 2012, individual assets of trade goods were valued as not fit for use in the context of the implementation of the final check, and were subsequently given a value of 0 euros. In the financial year 2014, these devices were tested again and it was determined that a proportion of them could be refurbished with low additional costs. In the reporting year, a value correction (write-up) was undertaken for these trade goods to the amount of 207 thousand euros.

(5) Non-current financial assets

The premium reserve shares from reinsurance contracts shown under non-current financial assets amount to 2,765,069.00 euros (previous year: 2,608,957.87 euros). These are for the reinsurance of the existing defined benefit obligations related to 21 secunet employees from pension commitments assumed from previous employers. The existing reinsurance contracts are not plan assets as defined under IAS 19.

(6) Deferred taxes

There are no domestic loss carryforwards as at the balance sheet date.

In addition, there were loss carryforwards at the foreign companies of 1,825 thousand euros (previous year: 2,259 thousand euros) for which no deferred taxes were recognised. Deferred tax claims not recognised totalled 367 thousand euros (previous year: 455 thousand euros). The losses carried forward relate to five (secunet s. r. o) and seven (secunet SwissIT AG) years.

A tax rate of 32.28% was used to calculate deferred taxes (previous year: 32.28%). This tax rate includes trade tax and corporate tax and also the solidarity surcharge.

The breakdown of deferred taxes recognised in the balance sheet is as follows:

Balance sheet entry in euros	31 Dec 2014	31 Dec 2013
Deferred tax assets		
from provisions for pensions	1,072,331.27	646,688.16
from other items	29,048.14	35,573.21
	1,101,379.41	682,261.37
Deferred tax liabilities		
from trade receivables	-123,204.69	-252,748.85
from other items	0.00	-7,464.75
	-123,204.69	-260,213.60
Total	978,174.72	422,047.77

The movement in deferred taxes in the income statement may be summarised as follows:

Income statement for expenses/income in euros	1 Jan – 31 Dec 2014	1 Jan – 31 Dec 2013
Deferred tax assets		
from provisions for pensions	39,565.92	53,579.64
from other items	-6,525.07	2,976.87
	33,040.85	56,556.51
Deferred tax liabilities		
from trade receivables	129,544.16	158,791.46
from other items	7,464.75	21,886.49
	137,008.91	180,677.95
Total	170,049.76	237,234.46

In the 2014 financial year, deferred tax income of 386,077.19 euros was recorded in accumulated other income/loss (deferred tax expense in the previous year: 148,619.06 euros).

(7) Liabilities

Intercompany payables were trade accounts payable. The valuation of trade accounts payable corresponds to the par value.

Other current liabilities break down as follows:

in euros	31 Dec 2014	31 Dec 2013
Payable value-added tax	2,652,765.72	1,249,148.55
Down payments and advances received	593,200.98	1,875,581.05
Payable wage income tax and church tax	381,837.66	360,056.62
Liabilities from termination agreements	272,548.35	0.00
Payable social security contributions	3,369.67	3,620.41
Other liabilities	788,186.71	1,092,945.09
Total	4,691,909.09	4,581,351.72

The maturities of the liabilities are as shown below:

in euros	Total		Remaining term up to 1 year		Remaining term of 1 to 5 years		Remaining term of over 5 years	
	2014	2013	2014	2013	2014	2013	2014	2013
Trade accounts payable	9,300,125.85	7,306,479.12	9,300,125.85	7,306,479.12	0.00	0.00	0.00	0.00
Intercompany payables	4,689.41	25,773.19	4,689.41	25,773.19	0.00	0.00	0.00	0.00
Income tax liabilities	877,291.73	98,248.27	877,291.73	98,248.27	0.00	0.00	0.00	0.00
Other current liabilities	4,691,909.09	4,581,351.72	4,508,094.37	4,033,009.45	183,814.72	548,342.27	0.00	0.00
Deferred income	5,282,036.25	3,197,455.83	3,179,543.93	1,971,615.08	2,102,492.32	1,225,840.75	0.00	0.00

(8) Provisions for pensions

in euros	2014	2013
Opening balance as at 1 Jan	3,718,796.00	3,862,617.00
Benefits paid	-13,132.00	0.00
Addition	290,038.00	316,585.00
Addition/reversal not affecting profit/loss	1,196,026.00	-460,406.00
Closing balance as at 31 Dec	5,191,728.00	3,718,796.00

Provisions for pensions and similar liabilities are formed on the basis of the Company's individual contract commitments towards its employees. 21 present and former employees at secunet AG who were employed at other companies in the past are entitled to a pension (previous year: 21 employees. The 21 employees eligible for pensions comprise 20 applicants and one pension beneficiary). New employees of secunet AG are not eligible for pensions.

As a result of company mergers and taking over of employees from other companies, the Company has different pension plans. These can largely be split into two types of plans.

The first type of plan grants the beneficiary a defined percentage (between 0.6% and 1.5%) of benefits each year as an old-age pension. In the second type of plan, the beneficiary is granted a fixed component for old-age pension.

Both types of plan allow for early retirement taking account of reductions in benefits. Both plans include a widow's and orphans' pension.

The actuarial certificate for the eligible employees of secunet AG as at 31 December 2014 is based on trend assumptions of 2.5% for salary growth (previous year: 2.5%), pension growth of 2.0% p. a. (previous year: 2.0% p. a.), a rate of inflation of 2.0% p. a. (previous year: 2.0% p. a.) and an actuarial interest rate of 2.3% p. a. (previous year: 3.6% p. a.). The calculations were based on Prof Klaus Heubeck's 2005 mortality tables.

To determine the actuarial interest rate, a yield curve as of the balance sheet date was derived using bootstrapping based on corporate bonds with an AA rating. The actuarial interest rate is calculated by matching the yield curve with the actual term of the obligation.

The parameters were set based on the data from December 2014.

Sensitivity analysis

Valuation parameter	Baseline value	Sensitivity	Effect on provisions in thousand euros
Actuarial interest	2.30%	+1.00%	-1,053
Actuarial interest	2.30%	-1.00%	1,425
Salary growth	2.50%	+0.50%	193
Salary growth	2.50%	-0.50%	-179
Pension growth	2.00%	+0.50%	384
Pension growth	2.00%	-0.50%	-346
Life expectancy	Heubeck 2005 G	+1 year	138
Life expectancy	Heubeck 2005 G	-1 year	-134

The sensitivity calculations are based on the average terms of commitments as at 31 December 2014. Separate calculations were performed for all actuarial parameters considered to be material, so as to show the effects on the present value of defined benefit obligations as at 31 December 2014 separately. Since the sensitivity analyses are based on the average duration of expected commitments, and expected payment deadlines are therefore not considered, they can only provide rough information or statements on trends.

The evaluation and definition of the parameters are at the discretion of the Management Board.

Changes to the defined benefit obligations in the reporting year were as follows:

in euros	2014	2013
As at 1 Jan	3,718,796.00	3,862,617.00
Current service cost	156,358.00	194,526.00
Interest expense	133,680.00	122,059.00
Actuarial gains and losses from		
- experience-based adjustments	-12,967.00	-68,453.00
- changes to biometric assumptions	-107,885.00	0.00
- changes to financial assumptions	1,316,878.00	-391,953.00
Benefits paid	-13,132.00	0.00
As at 31 Dec	5,191,728.00	3,718,796.00

Of the defined benefit obligations, 80.8% (previous year: 91.4%) relate to active claimants. 12.7% (previous year: 8.6%) relate to claimants who have left and 6.5% (previous year: 0%) relate to pension beneficiaries. Pension commitments do not expire.

The weighted average duration of a defined benefit obligation up to 31 December 2014 is 25.0 years (previous year: 23.2 years).

Costs arising from the defined benefit obligations and included in profit and loss were comprised of the following:

in euros	2014	2013
Current service cost	156,358.00	194,526.00
Interest expense	133,680.00	122,059.00
Costs for the year	290,038.00	316,585.00

In line with actuarial certificates, expenses arising from the commitments are distributed over the service life of employees and consist of the interest expenses and the service expenses. Interest expenses are included in the financial result, and the service expenses are shown under Personnel expenditure in the respective functional areas.

In the reporting year, pension provisions of 13,132 euros (previous year: 0 euros), were paid directly by secunet Security Networks AG.

Against the defined benefit obligation were premium reserve shares from reinsurance contracts in the amount of 2,765,069.00 euros (previous year: 2,608,957.87 euros) which do not represent plan assets under IAS 19.

Pension provisions of 5,476,307 euros are expected as at 31 December 2015, based on an annual expense of 302,773 euros and planned pension payments of 18,194 euros.

In the reporting year, secunet AG paid contributions of 1,765 thousand euros (previous year: 1,618 thousand euros) into the statutory pension insurance plan, which is regarded as a defined contribution plan. In the case of defined contribution pension plans, the Company has no further obligations beyond the payment of contributions.

(9) Other provisions

Developments in other provisions are shown in the table below:

in euros	1 Jan 2014	Used	Released	Additions	31 Dec 2014
Non-current provisions					
Provision for anniversary bonuses	114,111.00	0.00	-12,677.00	0.00	101,434.00
Current provisions					
Annual employee bonuses	3,409,555.00	-3,409,555.00	0.00	4,969,881.00	4,969,881.00
Deferred costs	281,843.74	-279,516.26	0.00	662,322.19	664,649.67
Accrued holidays	532,428.00	-532,428.00	0.00	535,545.00	535,545.00
Warranties	0.00	0.00	0.00	483,880.00	483,880.00
Risks of litigation	143,442.40	-9,640.00	0.00	0.00	133,802.40
Annual Report	64,800.00	-43,427.55	-21,372.45	64,800.00	64,800.00
Pending penalties	102,071.00	0.00	-102,071.00	0.00	0.00
Provision for partial retirement	9,242.47	-9,242.47	0.00	0.00	0.00
Others	458,319.07	-298,222.63	-4,399.00	326,406.89	482,104.33
Total	5,115,812.68	-4,582,031.91	-140,519.45	7,042,835.08	7,436,096.40

The provision for the litigation risks was formed for a case in which the Company is the defendant. The value in dispute is 450 thousand euros. A provision of 143 thousand euros was made to cover defence costs and the creation of expert reports to be submitted in court. 10 thousand euros from this provision were used in 2014. The expected risk upon realisation is a minimum of 50 thousand euros, up to a maximum of 500 thousand euros.

Overall risks have been represented at the level of the expected realisation. The minimum risk from all other provisions is 7,352,294 euros and the maximum risk is 7,802,294 euros.

The estimation of the probability of occurrence for the expected realisation of the provisions is at the discretion of the Management Board. Further discretion is required for the estimation of the plan costs as part of the calculation of the deferred costs.

(10) Equity

The Group's equity is shown in the Group statement of changes in equity.

As in the previous year, on the balance sheet date secunet AG holds 30,498 treasury shares. This corresponds to 0.469% of the share capital.

The share capital has remained unchanged at 6,500,000.00 euros. It is divided into 6,500,000 bearer shares without par value. All shares are fully paid. Calculated on a net income of 4,368,586.90 euros, diluted and undiluted earnings per share were 0.68 euros (6,469,502 shares), compared with 0.37 euros (6,469,502 shares) in the previous year.

The number of shares outstanding remained unchanged, at 6,469,502 shares. Each share grants the holder one voting right and, in the event of a distribution, an equivalent dividend entitlement.

secunet AG's capital reserves were unchanged from the previous year, with 1,902,005.80 euros of the total resulting from payments by the shareholder before the transformation of secunet AG into a public company limited by shares. The price premium paid in the initial public offering accounts for 20,020,000.00 euros of the total. The capital reserves are available – subject to statutory regulations – for the purposes of offsetting any losses incurred and for capital increases from the Company's own funds.

Accumulated other income/loss consists of currency conversion differences from the currency conversion of financial statements of foreign subsidiaries, actuarial gains and losses as part of pension provision calculation as well as deferred taxes.

Proposal for the appropriation of distributable earnings

For the year 2013, a dividend of 0.15 euros per share entitled to a dividend was paid. This corresponds to a total dividend of 970,425.30 euros.

The Annual Financial Statements in accordance with the German Commercial Code (HGB) of secunet AG for the 2014 financial year show net income for the year of 4,309,557.60 euros. Taking into account the carryforward of 2,083,749.19 euros, this results in balance sheet profits of 6,393,306.79 euros.

The Management Board suggests to the Annual General Meeting to distribute 0.27 euros per share to the 6,469,502 euros of share capital entitled to a dividend and to carry forward the remaining amount of 4,646,541.25 euros. When determining the share capital entitled to a dividend, the total of 30,498 treasury shares was deducted.

Notes to the income statement

(11) Revenues

Domestic revenues totalled 72,906,840.20 euros (previous year: 55,556,534.75 euros). While revenues generated abroad were 9,306,464.65 euros (previous year: 8,329,238.80 euros). Revenues are divided up by customer location.

Approximately 41.0 million euros of this revenue is related to the Group's major customer as defined in IFRS 8.34. This revenue was generated in the Public Sector business unit. No other individual customer accounted for 10% or more of the Group's revenues in 2014.

(12) Presentation of selected expenses and income according to cost types

With the exception of materials expenses, which must always be included under cost of sales, all the cost types can be recorded under the cost of sales, the selling expenses and the general administrative costs. The cost types indicated below are included in the following amount:

in euros	2014	2013
Expenses for raw materials, consumables and operating materials	27,842,354.73	16,359,674.56
Cost of purchased services	5,288,387.22	4,991,449.77
Materials expenses	33,130,741.95	21,351,124.33
Wages and salaries	25,737,250.76	21,928,328.16
Social security costs	3,716,255.78	3,545,009.62
Old age pension costs	169,377.35	194,529.00
Personnel expenditure	29,622,883.89	25,667,866.78
Depreciations (scheduled)	1,124,602.70	1,096,945.70

(13) Interest income/expense

In the financial year 2014, interest income of 135,338.03 euros was achieved (previous year: 35,891.26 euros). Of this, 127,296.01 euros (previous year: 0.00 euros) is attributed to interest income from short-term loans to the shareholder Giesecke & Devrient GmbH. The remainder (8,042.02 euros, previous year: 35,891.26 euros) is primarily attributed to interest income from call and time deposits with banks.

The interest expense of 2014 of 152,754.55 euros (previous year: 133,405.96 euros) essentially comprises the interest on other provisions in addition to the interest on pensions (133,680, euros previous year: 122,059 euros).

(14) Income taxes

In the reporting year, current taxes of 2,338,202.32 euros were incurred (previous year: 1,424,117.31 euros). This includes taxes for previous years in the amount of 2,362.67 euros (previous year: 0.00 euros).

The income tax expense is derived from the theoretical tax expense, applying a tax rate of 32.28% (previous year: 32.28%) to the earnings before tax. The tax expense arising from the application of the tax rate for the Group is derived as follows:

in euros	2014	2013
Profit before tax	6,536,739.46	3,562,770.39
Expected tax expense	-2,110,059.50	-1,150,062.28
Trade tax adjustments	-41,353.66	-22,709.35
Tax rate differences, international	-1,031.57	378.25
Previous year's taxes	2,362.67	0.00
Permanent differences	0.00	0.00
Non-deductible expenses	-14,732.17	-14,002.02
Other items	-3,338.33	-487.45
Effective tax expense	-2,168,152.56	-1,186,882.85

As at 31 December 2014, the tax rates used to calculate deferred tax assets and liabilities were unchanged compared with the previous year.

The effective tax rate in the reporting year, based on the Group profit before tax, was 33.2% (previous year: 33.3%), respectively.

(15) Cash flow statement

The cash flow statement shows the changes in cash over the course of the reporting year, broken down into cash flows from operating, investment and financing activities. Cash and cash equivalents consist of cash in hand, bank current accounts and time and call deposit accounts with banks.

The cash flow from operating activities was determined using the indirect method.

Segment reporting

At the beginning of the 2013 financial year, the secunet Group carried out an organisational restructuring and since then has been divided into two business units, the Public Sector and the Business Sector. Both 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.

Segment report 2014 in thousand euros	Public Sector	Business Sector	secunet 2014
Segment income	68,869	13,344	82,213
Cost of sales	-53,269	-9,492	-62,761
Selling expenses	-6,542	-2,550	-9,092
Research and development expenses	-88	0	-88
Administrative costs	-2,837	-882	-3,719
Segment result (EBIT)	6,133	420	6,553
Interest result			-18
Group profit before tax			6,535
Goodwill	2,668	282	2,950

Segment report 2013 in thousand euros	Public Sector	Business Sector	secunet 2013
Segment income	50,065	13,821	63,886
Cost of sales	-38,468	-9,988	-48,456
Selling expenses	-5,632	-2,507	-8,139
Research and development expenses	-8	0	-8
Administrative costs	-2,725	-899	-3,624
Segment result (EBIT)	3,232	427	3,659
Interest result			-98
Group profit before tax			3,561
Goodwill	2,668	282	2,950

The Public Sector 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 German Federal Office for Information Security (Bundesamt für Sicherheit in der Informationstechnik, BSI). In addition, the business unit supports authorities in Germany and abroad in all areas relating to e-government and IT security. These include biometric solutions and official documents, the electronic health 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 Sector business unit focus on security issues affecting industrial companies. Its product line includes identity management systems, qualified mass signature solutions for electronic invoicing, Public Key Infrastructures and network security. In all areas, analyses, consulting and complete solutions are tailored to each customer's specific requirements. The business unit also 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.

The accounting principles for the segments are identical to those used for the Consolidated Financial Statements. Using apportionments, expenses (e.g. overhead costs) that are not directly allocable to the reportable segments are allocated to the reportable segments. The segments are managed on the basis of the segment result.

With the exception of non-essential components, the segments' assets are focused on the domestic market. There were no significant changes to the segment assets as at the balance sheet date.

Other disclosures

Capital management

The capital management of the secunet Group is geared primarily to the provisions and requirements of company law. The aim is to ensure that all Group companies can operate as going concerns. Where no special provisions dictate otherwise, the equity for tax purposes is the same as the balance sheet equity. In all other cases the balance sheet equity is adjusted in line with regulatory or contractual requirements. The Group is not subject to any minimum equity requirements.

The Group's equity as at 31 December 2014 was 35,666,891.92 euros (previous year: 33,078,939.52 euros).

Financial instruments

Risks from financial instruments

The risks arising from financial instruments relate to liquidity, default and market risks.

Liquidity risks

To ensure that it has sufficient funds at its disposal, the Group prepares a liquidity plan as part of its three-year planning. This is then compared against each set of month-end figures and subsequently analysed.

The finance department informs the CFO of the current level of available funds on a daily basis. In conjunction with a permanent reminder function, this ensures a high level of cash holdings at all times.

Given the high level of available funds, the Group has to date never needed to make use of credit lines.

At the end of the year, the Group had cash and cash equivalents amounting to 37,354,898.55 euros at its disposal (previous year: 29,265,027.15 euros). Current financial liabilities stood at 20,156,052.33 euros (previous year: 15,209,308.13 euros).

Default risks

Default risks, or risks that counterparties cannot meet their payment obligations on time, are addressed with approval and control processes.

The Group also assesses the solvency of its customers on a regular basis.

The maximum amount of the default risks arising for the Group corresponds to its total receivables. The Group is not exposed to any unusual default risks in respect of individual contracting partners or groups of contracting partners. Default risks are recognised through valuation allowances.

There are no concentrations of default risks in respect of individual customers. The overall default risk is estimated to be low.

An analysis of the trade receivables that were overdue can be found in the overview under (2).

Market risks

The Group generates the majority of its revenues in the eurozone. The risks resulting from exchange rate fluctuations are therefore not significant. Fixed interest rates are agreed for the Company's interest-bearing call deposits and time deposits. Due to the high level of cash and cash equivalents, no financing through loans is required. Risks resulting from changes in interest rates can therefore also be regarded as low.

Other notes on financial instruments

During the reporting year, there were no reclassifications of financial assets between the measurement categories under IAS 39. With the exception of premium reserves from reinsurance contracts, no financial assets or liabilities were measured at fair value.

The carrying amounts of current financial assets and liabilities represent an appropriate approximation of fair value for the purposes of IFRS.

The fair values of non-current financial instruments, including non-current assets, correspond to the carrying amounts. These developed as follows:

in euros	2014	2013
Carrying amount on 1 Jan	2,608,957.87	2,436,754.41
Incoming payments	105,005.90	105,005.92
Outgoing payments	-21,746.43	0.00
Income recorded in the income statement	72,851.66	67,197.54
Carrying amount as at 31 Dec	2,765,069.00	2,608,957.87

During the 2014 financial year expenses amounting to 0 thousand euros (previous year: 8 thousand euros) arose from impairments for financial instruments measured at amortised cost.

Additional notes on financial instruments

Measurement method pursuant to IAS 39

	Measurement categories as defined in IAS 39.9	Loans and receivables	Financial liabilities measured at amortised cost	Financial assets measured at fair value through profit or loss	Not financial instruments as defined in IAS 39 and IFRS 7
Assets in euros	Financial instrument classes as defined in IFRS 7.6 Carrying amount 31 Dec 2014	Assignments with assets-side balance vis-à-vis customers	Financial instruments measured at amortised cost	Financial instruments measured at fair value	
Current assets					
Cash and cash equivalents	37,354,898.55		37,354,898.55		0.00
Trade receivables	17,098,705.60	1,769,824.65	15,328,880.95		0.00
Intercompany financial assets	74,922.31		74,922.31		0.00
Inventories	4,851,411.46				4,851,411.46
Other current assets	402,718.01		402,718.01		0.00
Income tax receivables	0.00				0.00
Non-current assets					
Property, plant and equipment	1,873,176.00				1,873,176.00
Intangible assets	101,693.00				101,693.00
Goodwill	2,950,000.00				2,950,000.00
Non-current financial assets	2,765,069.00			2,765,069.00	0.00
Deferred taxes	1,101,379.41				1,101,379.41
Total assets	68,573,973.34	1,769,824.65	53,161,419.82	0.00	2,765,069.00
					10,877,659.87

	Measurement categories as defined in IAS 39.9	Loans and receivables	Financial liabilities measured at amortised cost	Financial assets measured at fair value through profit or loss	Keine Finanzinstrumente im Sinne von IAS 39 und IFRS 7
Liabilities in euros	Financial instrument classes as defined in IFRS 7.6 Carrying amount 31 Dec 2014	Assignments with assets-side balance vis-à-vis customers	Financial instruments measured at amortised cost	Financial instruments measured at fair value	
Current liabilities					
Trade accounts payable	9,300,125.85		9,300,125.85		0.00
Intercompany payables	4,689.41		4,689.41		0.00
Other provisions	7,334,662.40				7,334,662.40
Income tax liabilities	877,291.73				877,291.73
Other current liabilities	4,691,909.09		4,691,909.09		0.00
Deferred income	5,282,036.25				5,282,036.25
Non-current liabilities					
Deferred taxes	123,204.69				123,204.69
Provisions for pensions	5,191,728.00				5,191,728.00
Other provisions	101,434.00				101,434.00
Total liabilities	32,907,081.42	0.00	0.00	13,996,724.35	0.00
					18,910,357.07

	Measurement categories as defined in IAS 39.9	Loans and receivables	Financial liabilities measured at amortised cost	Financial assets measured at fair value through profit or loss	Not financial instruments as defined in IAS 39 and IFRS 7
	Financial instrument classes as defined in IFRS 7.6	Assignments with assets-side balance vis-à-vis customers	Financial instruments measured at amortised cost	Financial instruments measured at fair value	
Assets in euros	Carrying amount 31 Dec 2013				
Current assets					
Cash and cash equivalents	29,265,027.15		29,265,027.15		0.00
Trade receivables	15,363,069.15	3,888,680.63	11,474,388.52		0.00
Intercompany financial assets	371,905.64		371,905.64		0.00
Inventories	3,634,082.80				3,634,082.80
Other current assets	376,927.27		376,927.27		0.00
Income tax receivables	136,704.68				136,704.68
Non-current assets					
Property, plant and equipment	1,860,397.00				1,860,397.00
Intangible assets	133,737.00				133,737.00
Goodwill	2,950,000.00				2,950,000.00
Non-current financial assets	2,608,957.87			2,608,957.87	0.00
Deferred taxes	682,261.37				682,261.37
Total assets	57,383,069.93	3,888,680.63	41,488,248.58	0.00	2,608,957.87
					9,397,182.85

	Measurement categories as defined in IAS 39.9	Loans and receivables	Financial liabilities measured at amortised cost	Financial assets measured at fair value through profit or loss	Not financial instruments as defined in IAS 39 and IFRS 7
	Financial instrument classes as defined in IFRS 7.6	Assignments with assets-side balance vis-à-vis customers	Financial instruments measured at amortised cost	Financial instruments measured at fair value	
Liabilities in euros	Carrying amount 31 Dec 2013				
Current liabilities					
Trade accounts payable	7,306,479.12		7,306,479.12		0.00
Intercompany payables	25,773.19		25,773.19		0.00
Other provisions	5,001,701.68				5,001,701.68
Income tax liabilities	98,248.27				98,248.27
Other current liabilities	4,581,351.72		4,581,351.72		0.00
Deferred income	3,197,455.83				3,197,455.83
Non-current liabilities					
Deferred taxes	260,213.60				260,213.60
Provisions for pensions	3,718,796.00				3,718,796.00
Other provisions	114,111.00				114,111.00
Total liabilities	24,304,130.41	0.00	0.00	11,913,604.03	0.00
					12,390,526.38

Net profit/loss from financial instruments for the two financial years was as follows:

in euros	2014	2013
Loans and receivables		
Interest result	135,338.03	35,891.26
Value reductions (-)/Value increases (+)	-150.00	14,342.00
	135,188.03	50,233.26
Financial assets measured at fair value through profit or loss		
Interest result	72,851.66	67,197.54
Total	208,039.69	117,430.80

Leases/other financial liabilities

The Company's other financial liabilities resulted mainly from long-term tenancy agreements for office premises and from leases relating to motor vehicles.

The tenancy agreements for office premises have residual terms of between one and seven years. Options to extend the term of the tenancy have been agreed in some cases.

The car leases have residual terms of between one and four years, with no extension or purchase options.

The terms of the leases contain absolutely no restrictions on those business activities that affect dividends, additional debts or further leases.

Lease payments of 2,581,046.92 euros (previous year: 2,482,592.07 euros) were made in the reporting year.

Future minimum lease payments, based on operating leases that may not be terminated, are as follows:

Nominal/in euros	31 Dec 2014	31 Dec 2013
Long-term rental commitments for various office premises	10,280,789.53	4,012,898.99
Lease commitments for office and operating equipment	1,418,923.14	1,088,120.32
Total	11,699,712.67	5,101,019.31

The maturities of the liabilities are as follows:

Nominal/in euros	31 Dec 2014	31 Dec 2013
Up to 1 year	2,718,773.86	2,291,037.87
More than 1 year but less than 5 years	7,994,582.95	2,809,981.44
More than 5 years	986,355.86	0.00
Total	11,699,712.67	5,101,019.31

Corporate Governance

With regard to secunet AG, the Management Board and Supervisory Board issued the declaration required pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz, AktG). This is permanently available to shareholders on the Company's website (www.secunet.com).

Executive bodies

The members of the Management Board during the reporting year were:

Dr Rainer Baumgart, Chairman

Willem Bulthuis (until 30 September 2014)

Business Graduate (University of applied sciences) Thomas Pleines

Fees for auditors of Consolidated Financial Statements

In the financial year and in the previous year, the following fees paid to the auditors of the Consolidated Financial Statements, KPMG AG Wirtschaftsprüfungsgesellschaft, were recorded.

in thousand euros	2014	2013
Audit services	70	71
<i>of which relating to audit of the previous year</i>	1	2
Other certification services	12	10
Tax advisor services	38	10
Other services	5	1
Total	125	92

Related party disclosures

Transactions with related persons

The remuneration of key management personnel breaks down into the following categories pursuant to IAS 24.

in thousand euros	2014	2013
Management Board		
Short-term employee benefits	744.2	708.6
Post-employment benefits	52.4	57.4
Other long-term employee benefits	132.1	142.3
Benefits resulting from termination of employment relationship	325.1	0.0
Total	1,253.8	908.3
Supervisory Board		
Short-term employee benefits	44.0	33.0

The remuneration of members of the Management Board active during the reporting year totalled 876 thousand euros for the reporting year (previous year: 851 thousand euros). The remuneration of former members of the Management Board totalled 325 thousand euros for the reporting year (previous year: 0 thousand euros). Provisions for pensions amounting to 412 thousand euros were declared for this particular group (previous year: 196 thousand euros).

Supervisory Board remuneration in the reporting year totalled 44 thousand euros (previous year: 33 thousand euros).

Disclosure of the individual amounts paid to members of the Management Board and Supervisory Board, along with further details of the remuneration system, can be found in the remuneration report that forms part of the Management Report of secunet AG.

Transactions with related companies of MC Familengesellschaft mbH

secunet AG is a majority holding of Giesecke & Devrient GmbH, Munich, which has a 78.96% stake in the Company. secunet AG is included in the Consolidated Financial Statements of MC Familengesellschaft mbH.

The following transactions were carried out in the specified period with companies in the MC Familengesellschaft mbH group:

1. Revenues resulting from services performed for related companies in the MC Familengesellschaft mbH Group

in euros	2014	2013
Parent company		
Giesecke & Devrient GmbH, Munich	2,964,412.15	2,831,457.87
Other affiliated companies		
Giesecke & Devrient Egypt Ltd, Cairo	85,200.00	0.00
Giesecke & Devrient 3S GmbH, Munich	80,881.00	47,284.12
Giesecke & Devrient International Government Solutions GmbH, Berlin	31,800.00	0.00
Giesecke & Devrient FZE, Dubai	0.00	39,500.00
Papierfabrik Louisenthal GmbH, Gmund am Tegernsee	0.00	8,050.00
Total	3,162,293.15	2,926,291.99

For projects with related companies in the MC Familengesellschaft mbH Group, provisions for deferred costs of 61 thousand euros (previous year: 78 thousand euros) were created.

Giesecke & Devrient GmbH, Munich are granted short-term loans. Interest income amounting to 127,296.01 euros (previous year: 0.00 euros) was generated from these loans in the reporting year.

2. Services purchased from related companies in the MC Familiengesellschafts Group

in euros	2014	2013
Parent company		
Giesecke & Devrient GmbH, Munich	418,738.93	220,230.86
Total	418,738.93	220,230.86

3. Receivables from related companies in the MC Familiengesellschafts Group

in euros	2014	2013
Parent company		
Giesecke & Devrient GmbH, Munich	37,080.31	313,605.64
Other affiliated companies		
Giesecke & Devrient International Government Solutions GmbH, Berlin	37,842.00	0.00
Giesecke & Devrient 3S GmbH, Munich	0.00	18,800.00
Giesecke & Devrient FZE, Dubai	0.00	39,500.00
Total	74,922.31	371,905.64

Receivables from Group companies were recorded in the amount of 74,922.31 euros (previous year: 371,905.64 euros) from trade receivables.

4. Payables to related companies in the MC Familiengesellschafts Group

As at 31 December 2014, trade accounts payable of 4,689 euros were recorded for Giesecke & Devrient GmbH, Munich (previous year: 25,773.19 euros).

5. Intercompany revenues with companies that have a participating interest in MC Familiengesellschaft mbH

In the 2014 financial year, revenues of 1,262,824.30 euros (previous year: 2,174,832.25 euros) were generated with Trustonic GmbH, Munich. Revenues of 34,472.11 euros (previous year: 0.00 euros) were earned by Trustonic GmbH, Cambridge, UK.

6. Services purchased from companies that have a participating interest in MC Familiengesellschaft mbH

In the 2014 financial year, services were purchased to the amount of 5,000.00 euros (previous year: 0.00 euros) from Trustonic.com, Cambridge, UK.

Events since the balance sheet date

There were no significant events after the balance sheet date.

The Management Board

Essen, 12 March 2015

Dr Rainer Baumgart

Thomas Pleines

Report of the Independent auditors on the Consolidated Financial Statements

We have audited the Consolidated Financial Statements – comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the notes to the Consolidated Financial Statements – of secunet Security Networks Aktiengesellschaft, Essen, and the Company and Group Management Report for the financial year from 1 January to 31 December 2014. The Company's legal representatives are responsible for the preparation of the Consolidated Financial Statements and Company and Group Management Report in accordance with IFRS as applicable in the EU, and the provisions of commercial law additionally applicable under Article 315a Para. 1 of the German Commercial Code (Handelsgesetzbuch, HGB). Our responsibility is to express an opinion on the Consolidated Financial Statements and on the Company and Group Management Report, based on our audit.

We conducted our audit of the Consolidated Financial Statements in accordance with Article 317 of the HGB and the generally accepted standards for the audit of financial statements in Germany promulgated by the Institut der Wirtschaftsprüfer (IDW). These standards require that we plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements, with due regard to the applicable accounting principles, and the Company and Group Management Report are free of material misstatements in their presentation of the assets, liabilities, financial position and results of operations. Knowledge of the business activities and the economic and legal environment of the Group and expectations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the internal control system relating to the accounting system and evidence supporting the disclosures in the Consolidated Financial Statements and Company and Group Management Report are examined primarily on a test basis within the framework of the audit. The audit also includes evaluating the Annual Financial Statements of the companies included in the Consolidated Financial Statements, the determination of the companies to be included in consolidation, the appropriateness of the accounting and consolidation principles used and the reasonableness of accounting estimates made by the legal representatives, as well as evaluating the overall presentation of the Consolidated Financial Statements and of the Company and Group Management Report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any objections.

In our opinion, based on the findings of our audit, the Consolidated Financial Statements comply with IFRS as applicable in the EU, and the provisions of German commercial law additionally applicable under Article 315a Para. 1 of the HGB and give a true and fair view of the assets, liabilities, financial position and results of operations of the Group in accordance with these provisions. The Company and Group Management Report is consistent with the Consolidated Financial Statements, as a whole provides a suitable view of the Group's position, and suitably presents the opportunities and risks of future development.

Essen, 13 March 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

Salzmann
Auditor

Mertens
Auditor

Responsibility Statement

“To the best of our knowledge, and in accordance with the applicable accounting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and results of operations of the Group, and the Group Management Report includes a true and 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.”

Dr Rainer Baumgart

Thomas Pleines

Annual Financial Statements

OF SECUNET SECURITY NETWORKS AKTIENGESELLSCHAFT

Balance sheet

as at 31 December 2014 (according to HGB)

Assets in euros	Note	31 Dec 2014	31 Dec 2013
A. Fixed assets			
I. Intangible fixed assets		937,993.00	1,166,657.00
II. Tangible fixed assets		1,873,176.00	1,860,397.00
III. Long-term financial assets		2,765,069.00	2,608,957.87
Total fixed assets	1)	5,576,238.00	5,636,011.87
B. Current assets			
I. Inventories	2)	6,326,176.28	6,797,525.75
II. Receivables and other assets	3)	15,520,227.31	12,149,649.84
III. Cash in hand and balances with credit institutions	4)	37,152,166.23	29,053,730.25
Total current assets		58,998,569.82	48,000,905.84
C. Prepaid and deferred items		200,061.52	127,567.68
Total assets		64,774,869.34	53,764,485.39

Liabilities in euros	Note	31 Dec 2014	31 Dec 2013
A. Equity			
Subscribed capital		6,500,000.00	6,500,000.00
Nominal value of treasury shares		-30,498.00	-30,498.00
I. Issued capital		6,469,502.00	6,469,502.00
II. Capital reserves		21,656,305.42	21,656,305.42
III. Revenue reserves Reserve due to treasury shares		30,498.00	30,498.00
IV. Net accumulated profit/losses		6,393,306.79	3,054,174.49
Total equity	5)	34,549,612.21	31,210,479.91
B. Provisions	6)	11,359,255.43	8,014,935.27
C. Liabilities	7)	13,583,965.45	11,341,614.38
D. Prepaid and deferred items	8)	5,282,036.25	3,197,455.83
Total liabilities		64,774,869.34	53,764,485.39

Income statement

for the period from 1 January 2014 to 31 December 2014 (according to HGB)

in euros	Note	31 Dec 2014	31 Dec 2013
Revenue	9)	84,332,320.53	64,633,890.84
Increase or decrease of work in progress		-1,688,678.13	-250,117.14
Other operating income	10)	747,552.99	485,281.23
Cost of materials	11)	-33,178,087.89	-21,353,097.54
Personnel expenses	12)	-29,519,055.45	-25,526,875.71
Depreciation and amortisation of intangible fixed assets and tangible fixed assets	13)	-1,321,222.70	-1,295,152.70
Other operating expenses	14)	-12,432,923.09	-12,538,383.42
Financial result	15)	-219,925.33	-175,346.08
Result from ordinary business activities		6,719,980.93	3,980,199.48
Extraordinary income		141.00	141.00
Extraordinary expenses		-49,904.00	-49,904.00
Extraordinary result	16)	-49,763.00	-49,763.00
Taxes	17)	-2,360,660.33	-1,448,361.00
Net income for the year		4,309,557.60	2,482,075.48
Accumulated losses brought forward		3,054,174.49	572,099.01
Dividend payment		-970,425.30	0.00
Net accumulated profit/losses	18)	6,393,306.79	3,054,174.49

Notes

OF SECUNET SECURITY NETWORKS AKTIENGESELLSCHAFT FOR FINANCIAL YEAR 2014 (ACCORDING TO HGB)

General principles

secunet Security Networks AG (hereafter referred to as “secunet AG” or “Company”) is designated a corporation as defined in Article 267 Para. 3 of the German Commercial Code (Handelsgesetzbuch, HGB).

The financial statements of secunet AG have been prepared in accordance with the recognition and measurement methods of the HGB and the supplementary provisions of the German Stock Corporation Act (Aktiengesetz, AktG).

In order to enhance the clarity and transparency of the reporting, the balance sheet and the income statement combine certain individual positions, which are reported in depth and explained in the Notes. In addition to the standard breakdown under German commercial law, the item “Premium reserve shares from reinsurance contracts” was added to the position “Long-term financial assets” in the “Changes in the fixed assets” overview (Appendix to the Notes). The income statement is based on the total expenditure format.

Recognition and measurement methods

Recognition and measurement are performed according to the principles set out below:

Assets

Fixed assets

The intangible assets acquired are measured at historical cost and amortised on a straight-line basis over the useful life.

This item primarily relates to goodwill from the takeover of SECARTIS AG. On the basis of the existing customer structure (public institutions), a customary useful life of 15 years was estimated for the goodwill. Had this goodwill been posted to the accounts immediately in 2004, the earnings from ordinary activities in financial year 2014 would have been 197 thousand euros higher.

Tangible fixed assets are measured at the lower of historical cost or cost of production or fair value or for an expected long-term impairment and are depreciated on a straight-line or declining-balance basis over the expected useful life.

Where declining-balance depreciation is applied, this amounts to twice as much (20%) or three times as much (30%) as the straight-line method. A switch is made from declining-balance to straight-line depreciation in years in which the straight-line depreciation amount is higher than the declining-balance depreciation amount. Since 2008, new acquisitions have been depreciated exclusively on a straight-line basis. Fixed assets with historical costs of less than 1,000 euros (low value fixed assets) are divided into two groups. Assets with historical costs of up to 150 euros are written off to their full amount in the year of purchase. Assets with historical costs between 150 euros and 1,000 euros are placed in a so-called “collective item” and written off in the year of purchase as well as in the next four years on a straight-line basis.

Shares in affiliated companies are recognised at historical cost. Loan receivables from affiliated companies are recognised at nominal value. Long-term financial assets are written down to the market value where permanent impairment has taken place. Lower valuations are retained, provided that a higher value is not required up to the original historical cost.

Reinsurance contracts are measured at taxable fair value.

Current assets

Inventories are measured at historical cost or production cost on the balance sheet date. The production cost of work in progress includes not only the directly allocable costs, but also the costs of the necessary materials and production and general administrative costs. Voluntary social security contributions, occupational pension expense and interest on borrowings are not carried as an asset. The principles of loss-free valuation are applied.

Trade goods are measured at the lower of historical cost calculated using a sliding average and fair value.

Receivables and other assets are measured at nominal value less appropriate discounts for identifiable individual risks. General credit risk is taken into account through general loan loss provisions, based on past experience.

Cash in hand and balances with credit institutions are measured at their nominal value.

Liabilities

Provisions for pensions and similar liabilities are determined in accordance with the expert opinion of an actuary, based on the projected one-off contribution method ("Projected Unit Credit Method"), using Dr Klaus Heubeck's 2005 G mortality tables. For the valuation, the actuarial interest rate of 4.62% (previous year: 4.95%) was used, which resulted from the provisions of Article 253 Para. 2 Clause 1 of the German Commercial Code (Handelsgesetzbuch, HGB) in November 2014 from the average market interest rate of the past seven years with an assumed residual term of 21 years, forecast on 31 December 2014. The impact on income from the change to the actuarial interest rate is recorded in the financial result. Furthermore, the valuation uses the actual benefit obligations, assuming that the benefits will grow by 2.5% (previous year: 2.5%) and a fluctuation of 5.5% (previous year: 1.5%) on average.

In accordance with the valuation rules of Article 253 Para. 1 Clause 2 of the HGB as amended by the German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz, BilMoG), provisions for pensions must be reported at their settlement value with effect from 2010.

The amount required to be allocated to the pension provisions was calculated as at the transition date of 1 January 2010. The difference from the revaluation of the obligations totalled 748,553 euros. With reference to the option provided for under Article 67, Para. 1, Clause 1 of the Introductory Act to the German Commercial Code (Einführungsgesetz zum Handelsgesetzbuch, EGHGB), secunet AG allocated the amount of 49,904 euros (1/15 minimum extraordinary allocation p.a.). The resulting coverage shortfall as at 31 December 2014 is therefore 499,033 euros.

Tax provisions and other provisions are created according to prudent business judgement, taking account of all identifiable and uncertain obligations and the required settlement value expected. Provided that provisions with a residual term of longer than one year exist, these are discounted with the average market interest rate from the past seven years that corresponds to their residual term.

The liabilities are recognised at their settlement value.

Assets and liabilities with a remaining term of up to one year denominated in foreign currency are converted on the basis of the mean spot exchange rate on the reporting date.

Deferred taxes

in euros	Assets	Liabilities
Fixed assets	5,205.86	0.00
Provisions for pensions	246,883.28	0.00
Other provisions	23,842.34	0.00
Total	275,931.48	0.00

A tax rate of 32.28% is applied. Use was made of the option under Article 274, Para. 1, Clause 2 of the HGB, and no item was posted in the balance sheet.

Income statement

Revenue is recognised when it is probable that the future economic benefits associated with the corresponding transaction will flow to the Company and when the amount of revenue can be reliably measured. The service handover in project-based business is always defined by acceptance reports.

Revenues are shown net of value-added tax and any discounts when the sale of goods or services has taken place and the risks and rewards associated with ownership have been substantially transferred.

Notes to the balance sheet and income statement of secunet Security Networks Aktiengesellschaft

(1) Fixed assets

The breakdown of and changes in the fixed assets of secunet AG can be found in the statement of fixed assets, included as an Appendix to the Notes.

(2) Inventories

in euros	31 Dec 2014	31 Dec 2013
Work in progress	1,474,764.82	3,163,442.95
Trade goods	4,851,411.46	3,624,402.80
Prepayments on inventories	0.00	9,680.00
Total	6,326,176.28	6,797,525.75

In the financial year 2012, individual assets of trade goods were valued as not fit for use in the context of the implementation of the final check, and were subsequently given a value of 0 euros. In the financial year 2014, these devices were tested again and it was determined that a proportion of them could be refurbished with low additional costs. In the reporting year, a value correction (write-up) was undertaken for these trade goods to the amount of 207 thousand euros.

(3) Receivables and other assets

in euros	31 Dec 2014	31 Dec 2013
Trade receivables	15,242,265.95	11,416,637.25
Intercompany receivables	70,232.90	346,132.45
of which trade receivables	(70,232.90)	(346,132.45)
Sonstige Vermögensgegenstände	207,728.46	386,880.14
Total	15,520,227.31	12,149,649.84

As at the balance sheet date, receivables from affiliated companies are due in the amount of 37,080.31 euros from Giesecke & Devrient GmbH, Munich, and in the amount of 37,842.00 euros from Giesecke & Devrient International Government Solutions GmbH, Munich. These receivables consist of 74,922.31 euros (previous year: 371,905.64 euros) as trade receivables. Trade accounts payable to Giesecke & Devrient GmbH, Munich in the amount of 4,689.41 euros (previous year: 25,773.19 euros) were charged.

The residual term of all receivables was less than one year.

(4) Cash in hand and balances with credit institutions

Cash and cash equivalents consisted of cash in hand and balances with credit institutions. Occasionally, the investment is made in the form of call and time deposits over the course of the year, whereby the interest for the deposits lay between 0.01% and 1.40% p. a. in the reporting period.

(5) Equity

The share capital is 6,500,000.00 euros. It is divided into 6,500,000 bearer shares without par value.

In all, the Company continued to hold 30,498 treasury shares (previous year: 30,498) at the balance sheet date, equating to 0.469% or 30,498 euros of its share capital (previous year: 0.469%). The nominal value of the treasury shares was openly offset with share capital.

Due to the adjustments made in accordance with the German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz, BilMoG), the reserve for treasury shares in the calculated amount of the treasury shares of 30,498 is being placed in the reserves due to treasury shares and the remaining amount offset against other revenue reserves. The treasury shares were purchased as part of a share option programme for secunet employees in the period between 2001 and 2002.

Balance sheet profits are 6,393,306.79 euros (previous year: 3,054,174.49 euros).

At the Annual General Meeting of 14 May 2014, the payment of a dividend from the balance sheet profit for the financial year 2013 was agreed on. On 15 May 2014, a payment of 0.15 euros per share (6,469.502 individual shares) was paid, making a total of 970,425.30 euros.

The majority shareholder, Giesecke & Devrient GmbH, continues, as in the previous year, to hold a share of 78.96% in secunet AG.

Information on notifications regarding shareholdings:

No relevant notices have been given.

(6) Provisions

in euros	31 Dec 2014	31 Dec 2013
Provisions for pensions and similar liabilities	2,634,578.00	2,234,948.00
Provisions for taxes	877,291.73	98,248.27
Other provisions	7,847,385.70	5,681,739.00
Total	11,359,255.43	8,014,935.27

The breakdown of other provisions is shown in the table below:

in euros	31 Dec 2014	31 Dec 2013
Provisions for		
HR	5,684,605.00	4,102,053.93
Warranties	483,880.00	0.00
Outstanding invoices	473,952.09	608,303.06
Deferred costs	664,649.77	304,969.10
Litigation risks	148,802.40	143,442.40
Annual financial statement costs	142,300.00	142,300.00
Professional association contributions	117,000.00	107,973.00
Legal and consulting costs	11,500.00	11,500.00
Miscellaneous	120,696.44	261,197.51
Total	7,847,385.70	5,681,739.00

In 2010, a provision of 225 thousand euros was formed for litigation risks relating to a case in which the Company is the defendant, to which provision a further amount of 100 thousand euros was added during 2012. The value in dispute is 450 thousand euros. The provision was formed to cover defence costs and the creation of expert reports to be submitted in court. A further amount was paid out from the final total, which amounted to 144 thousand euros as at 31 December 2013, during the course of 2014 in the amount of 10 thousand euros. This was mainly used to pay for legal advice.

(7) Liabilities

in euros	31 Dec 2014	31 Dec 2013
Payments received on account of orders	593,200.98	1,875,581.05
Trade payables	8,886,717.15	6,759,176.06
Other liabilities	4,104,047.32	2,706,857.27
of which taxes	(3,034,603.38)	(1,609,205.17)
of which relating to social security	(3,369.67)	(3,620.41)
Total	13,583,965.45	11,341,614.38

In other liabilities, 183,814.72 euros have a remaining term of between one and five years. All other liabilities have a term of less than one year.

(8) Prepaid and deferred liabilities

Given the increase in the support business, payments are increasingly accrued in conjunction with a performance after the balance sheet date.

(9) Revenues

The revenues were generated in the following regions:

in euros	2014	2013
Domestic	75,025,696.18	56,304,652.04
Abroad	9,306,624.35	8,329,238.80
Total	84,332,320.53	64,633,890.84

It is distributed across the two business units as follows:

in euros	2014	2013
Public	69,681,109.52	50,420,553.77
Business	14,651,211.01	14,213,337.07
Total	84,332,320.53	64,633,890.84

(10) Other operating income

Other operating income of 747,552.99 euros primarily comprises a compensatory amount from the utilisation of provisions (329,513.38 euros) formed by other operating expenses, income from the release of provisions (126,158.46 euros) and other income (147,552.45 euros).

Approximately 17% of the other operating income relates to other periods and results predominantly from the release of provisions.

(11) Materials expenses

in euros	2014	2013
Cost of purchased goods	27,813,832.47	16,345,987.77
Cost of purchased services	5,364,255.42	5,007,109.77
Total	33,178,087.89	21,353,097.54

(12) Personnel expenditure

in euros	2014	2013
Wages and salaries	25,739,933.30	21,932,888.16
Social security costs	3,712,802.78	3,495,695.29
Old age pension costs	41,961.35	80,680.32
Other employee benefit costs	24,358.02	17,611.94
Total	29,519,055.45	25,526,875.71

(13) Depreciation and amortisation of intangible fixed assets and tangible fixed assets

Depreciation and amortisation are broken down by individual item in the statement of fixed assets (see Appendix to the Notes).

(14) Other operating expenses

The other operating expenses amounting to 12,432,923.09 euros (previous year: 12,538,383.42 euros) are made up of the following:

in euros	2014	2013
Rental costs	2,485,240.93	2,332,616.41
Travel expenses	2,062,713.64	1,976,310.52
Advertising costs	1,194,643.09	1,077,404.01
Communication costs	1,070,979.49	1,066,678.61
Company car costs	947,509.28	976,045.31
Addition to other provisions	737,680.00	298,171.00
Inspection, consulting, legal protection	741,371.81	1,780,503.70
Ancillary personnel expenses	647,552.39	565,445.40
Maintenance costs	632,424.44	588,414.62
Sales commission	388,389.71	435,590.25
Other third-party services	290,597.19	317,448.46
Entertainment and representation	193,262.01	179,076.35
Insurance premiums	178,741.59	175,694.85
Other costs	861,817.52	768,983.93
Total	12,432,923.09	12,538,383.42

Expenses resulting from currency conversion stood at 4,396.65 euros (previous year: 2,930.52 euros).

The amount of expenses relating to other periods is insignificant.

(15) Financial result

in euros	2014	2013
Other interest and similar income	135,313.32	35,858.37
of which from affiliated companies	(127,296.01)	(0.00)
Interest and similar expenses	-355,238.65	-211,204.45
of which interest on pension provisions	(-336,310.00)	(-200,005.00)
Total	-219,925.33	-175,346.08

(16) Extraordinary result

The application of Article 66 of EGHGB and of Para. 1 of Article 67 of EGHGB resulted in extraordinary expenses of 49,904.00 euros and extraordinary income totalling 141.00 euros. Overall, this created an extraordinary negative effect on the annual result in the amount of 49,763.00 euros.

Broken down, the extraordinary expenses and extraordinary income result from the differences in the addition to and release from the following provisions:

in euros	Expenses	Income
Pensions and similar liabilities	49,904.00	0.00
Deferred compensation	0.00	141.00
Total	49,904.00	141.00

(17) Taxes

in euros	2014	2013
Income taxes	2,337,534.33	1,423,705.00
Other taxes	23,126.00	24,656.00
Total	2,360,660.33	1,448,361.00

Taxes on income relate to financial year 2014 as well as the release of the unused portion of the provision for corporate tax amounting to 2,362.67 euros for the financial year 2013.

(18) Appropriation of distributable earnings**Proposal for the appropriation of distributable earnings**

The Annual Financial Statements in accordance with the German Commercial Code (HGB) of secunet AG for the 2014 financial year show net income for the year of 4,309,557.60 euros. Taking into account the carryforward of 2,083,749.19 euros, this results in balance sheet profits of 6,393,306.79 euros.

The Management Board suggested to the Annual General Meeting to distribute 0.27 euros per share to the 6,469,502 euros of share capital entitled to a dividend and to carry forward the remaining amount of 4,646,541.25 euros. When determining the share capital entitled to a dividend, the total of 30,498 treasury shares was deducted.

in euros	2014
Net income for the year 2014	4,309,557.60
Carryforward at 1 January 2014	2,083,749.19
Balance sheet profit at 31 December 2014	6,393,306.79
Proposal for the appropriation of distributable earnings	
Dividend payment	1,746,765.54
Carryforward	4,646,541.25

Other notes

Employees

The average headcount over the year, including the three (from 1 October 2014 onwards, two) Management Board members, was 355 (previous year: 330, including three Management Board members).

Other financial liabilities

As at the balance sheet date, other financial liabilities totalled 11,699,712.67 euros. They consisted mainly of the nominal amount of liabilities arising from office tenancy agreements and rental agreements for company cars, of which 2,718,773.86 euros have less than one year to run, 7,994,582.95 euros have between one and five years to run and 986,355.86 euros have more than five years of their term left. None of the total liabilities are towards affiliated companies.

Liability arrangements

No declarations were issued that resulted in liability arrangements.

Relationships with affiliated companies

Through Giesecke & Devrient GmbH, Munich, the Company is a related company of MC Familiengesellschaft mbH, Tutzing, which prepares the Consolidated Financial Statements for the largest group of companies. Additionally, the Company is included in the Consolidated Financial Statements of Giesecke & Devrient GmbH, Munich, which prepares the Consolidated Financial Statements for the smallest group of companies. secunet AG also produces its own IFRS Consolidated Financial Statements. The Consolidated Financial Statements are published in the Federal Gazette.

Auditors' fees

In 2014, fees were expensed to the statutory auditor KPMG AG Wirtschaftsprüfungsgesellschaft of 70 thousand euros for auditing services (of which 1 thousand euros for the audit of the previous year's financial statements), 38 thousand euros for tax advisor services, 12 thousand euros for other certification services and 5 thousand euros for other services.

Miscellaneous

The remuneration of members of the Management Board active during the reporting year totalled 876 thousand euros for the reporting year (previous year: 851 thousand euros). The remuneration of former members of the Management Board totalled 325 thousand euros for the reporting year (previous year: 0 thousand euros). For this group of people, liabilities from pension commitments amounted to 273 thousand euros as at the reporting date (previous year: 196 thousand euros).

Supervisory Board remuneration for the reporting year totalled 44 thousand euros (previous year: 33 thousand euros).

The members of the Supervisory Board held no shares in the Company as at the balance sheet date.

Disclosure of the individual amounts paid to members of the Management Board and Supervisory Board, along with further details of the remuneration system, can be found in the remuneration report that forms part of the combined management report of the Company and the Group.

The Management Board and Supervisory Board issued the declaration pursuant to Article 161 of the AktG in respect of secunet AG. This is permanently available to shareholders on the Company's website (www.secunet.com).

Executive bodies

Management Board

Dr Rainer Baumgart, Chairman

(secunet AG shares held: none)

Willem Bulthuis, (until 30 September 2014)

(secunet AG shares held: none)

Graduate business economist (FH) Thomas Pleines

(secunet AG shares held: none)

Supervisory Board

Dr Peter Zattler, Grünwald

Chairman

Member of the Management Board of Giesecke & Devrient GmbH, Munich

Other directorships:

- Giesecke & Devrient International Finance S.A., Luxembourg
- Giesecke & Devrient GB Ltd., Wembley, London, UK
- Giesecke & Devrient Matsoukis Security Printing S.A., Athens, Greece
- Giesecke & Devrient 3S AB, Stockholm, Sweden
- Giesecke & Devrient 3S OY, Helsinki, Finland

Dr Wilhelm Wick, Essen

Acting Chairman (until 14 May 2014)

No other directorships.

Hans Wolfgang Kunz, Munich

Acting Chairman (since 14 May 2014)

Member of the Management Board of Giesecke & Devrient GmbH, Munich

Other directorships:

- Giesecke & Devrient International Finance S.A., Luxembourg
- Giesecke & Devrient America, Inc., Dulles, USA (until 20 October 2014)
- Giesecke & Devrient India Pvt. Ltd., Gurgaon, India (until 31 March 2014)
- Giesecke & Devrient GB Ltd., Wembley, London, UK (until 20 October 2014)
- G y D Ibérica S.A., Barcelona, Spain (until 29 October 2014)
- Giesecke & Devrient Systems Canada, Inc., Markham, Canada (until 20 October 2014)
- Giesecke & Devrient Matsoukis Security Printing S.A., Athens, Greece
- Giesecke & Devrient Southern Africa, Pty. Ltd., Johannesburg, South Africa (until 20 October 2014)

Axel Deininger, Riemerling, Hohenbrunn

Group Senior Vice President, Head of Division Enterprise Security & OEM,

Mobile Security, Giesecke & Devrient GmbH, Munich

No other directorships.

Graduate engineer Franz Markus Haniel, Munich, (until 14 May 2014)

Member of the Advisory Council of Giesecke & Devrient GmbH, Munich

Other directorships:

- Franz Haniel & Cie. GmbH, Duisburg
- METRO AG, Düsseldorf
- Delton AG, Bad Homburg
- Heraeus Holding GmbH, Hanau
- BMW AG, Munich
- TBG Limited, Malta

Dr Elmar Legge, Schermbeck

Member of the Management Board of RWTÜV e. V., Essen

Member of the Management Board of TÜV NORD AG, Hanover

Member of the Management Board of GREIF-Stiftung, Mülheim an der Ruhr

Member of the Management Board of the RWTÜV Foundation, Essen

Other directorships:

- TÜV Thüringen e. V., Erfurt
- TÜV NORD PENSION TRUST e. V., Hanover
- VAI Van Ameyde International B.V., Rijswijk, Netherlands
- AHV VVAG, Essen
- RWTÜV GmbH, Essen
- TÜV NORD Mobilität GmbH & Co. KG, Hanover*
- TÜV NORD BILDUNG GmbH & Co. KG, Essen*
- TÜV NORD Systems GmbH & Co. KG, Hamburg*
- DMT GmbH & Co. KG, Essen*

* Group-internal mandate in the TÜV NORD Group

Wolf-Rüdiger Moritz, Lengries

Vice President Business Continuity, Infineon Technologies AG, Neubiberg

Other directorships:

- Cryptomathic A/S, Aarhus, Denmark
- Cryptomathic Holding Aps, Aarhus, Denmark

Prof Dr Günter Schäfer, Berlin

University professor, Technische Universität, Ilmenau

No other directorships.

Dr Reinhard Warmke, Putzbrunn, (until 14 May 2014)

Head of Legal at Giesecke & Devrient GmbH, Munich

No other directorships.

Shareholdings

secunet SwissIT AG, Solothurn, Switzerland

100% participation, equity of the Company as at 31 December 2014 76 thousand CHF,
2014 net income -2 thousand CHF

secunet s.r.o., Prague, Czech Republic

100% participation, equity of the Company as at 31 December 2014 3,826 thousand CZK,
2014 net income -190 thousand CZK

Secunet Inc., Austin, Texas, USA

100% participation (shell company)

Essen, 12 March 2015

Dr Rainer Baumgart

Thomas Pleines

Changes in fixed assets

(according to HGB, appendix to the notes), in the 2014 financial year

in euros	Historical costs			as at 31 Dec 2014
	as at 1 Jan 2014	Additions	Disposals	
I. Intangible fixed assets				
1. Acquired concessions, industrial property rights and similar rights and values, and licences to such rights	120,000.00	0.00	0.00	120,000.00
2. Acquired software	1,211,723.87	43,200.00	-20,500.56	1,234,423.31
3. Goodwill	2,950,000.00	0.00	0.00	2,950,000.00
Intangible fixed assets, total	4,281,723.87	43,200.00	-20,500.56	4,304,423.31
II. Tangible fixed assets				
Other tangible assets, operating and office equipment	8,557,881.46	1,085,541.70	-672,613.94	8,970,809.22
Tangible fixed assets, total	8,557,881.46	1,085,541.70	-672,613.94	8,970,809.22
III. Long-term financial assets				
1. Shares in affiliated companies	556,539.96	0.00	0.00	556,539.96
2. Loans to affiliated companies	613,550.26	0.00	0.00	613,550.26
3. Premium reserve shares from reinsurance contracts	2,608,957.87	174,372.00	-18,260.87	2,765,069.00
Long-term financial assets, total	3,779,048.09	174,372.00	-18,260.87	3,935,159.22
Total fixed assets	16,618,653.42	1,303,113.70	-711,375.37	17,210,391.75

Accumulated depreciation					Carrying amounts		
	as at 1 Jan 2014	Additions	Disposals	Write-ups	as at 31 Dec 2014	as at 31 Dec 2014	as at 31 Dec 2013
	120,000.00	0.00	0.00	0.00	120,000.00	0.00	0.00
	1,077,986.87	75,244.00	-20,500.56	0.00	1,132,730.31	101,693.00	133,737.00
	1,917,080.00	196,620.00	0.00	0.00	2,113,700.00	836,300.00	1,032,920.00
	3,115,066.87	271,864.00	-20,500.56	0.00	3,366,430.31	937,993.00	1,166,657.00
	6,697,484.46	1,049,358.70	-649,209.94	0.00	7,097,633.22	1,873,176.00	1,860,397.00
	6,697,484.46	1,049,358.70	-649,209.94	0.00	7,097,633.22	1,873,176.00	1,860,397.00
	556,539.96	0.00	0.00	0.00	556,539.96	0.00	0.00
	613,550.26	0.00	0.00	0.00	613,550.26	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	2,765,069.00	2,608,957.87
	1,170,090.22	0.00	0.00	0.00	1,170,090.22	2,765,069.00	2,608,957.87
	10,982,641.55	1,321,222.70	-669,710.50	0.00	11,634,153.75	5,576,238.00	5,636,011.87

Report of the independent auditors on the Annual Financial Statements

We have audited the Annual Financial Statements – comprising the balance sheet, the income statement and the notes to the financial statements – including the bookkeeping system, of secunet Security Networks Aktiengesellschaft, Essen, and the Company and Group Management Report for the financial year from 1 January to 31 December 2014. The Company's Management Board is responsible for the bookkeeping system and for the preparation of the Annual Financial Statements and Company and Group Management Report in accordance with German commercial law. Our responsibility is to express an opinion on the Annual Financial Statements, including the bookkeeping system, and on the Company and Group Management Report, based on our audit.

We conducted our audit of the Annual Financial Statements in accordance with Article 317 of the German Commercial Code (Handelsgesetzbuch, HGB) and the generally accepted standards for the audit of financial statements in Germany promulgated by the Institut der Wirtschaftsprüfer (IDW). These standards require that we plan and perform the audit to obtain reasonable assurance whether the Annual Financial Statements, with due regard to the principles of proper accounting generally accepted in Germany, and the Company and Group Management Report are free of material misstatements in their presentation of the assets, liabilities, financial position and results of operations. Knowledge of the business activities and the economic and legal environment of the Company and expectations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the internal control system relating to the accounting system and evidence supporting the disclosures in the bookkeeping, Annual Financial Statements and Company and Group Management Report are examined primarily on a test basis within the framework of the audit. The audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of accounting estimates made by the Management Board, as well as evaluating the overall presentation of the Annual Financial Statements and of the Company and Group Management Report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not led to any objections.

In our opinion, based on the findings of our audit, the Annual Financial Statements comply with legal requirements and give a true and fair view of the assets, liabilities, financial position and results of operations of secunet Security Networks Aktiengesellschaft, Essen, in accordance with German principles of proper accounting. The Company and Group Management Report is consistent with the Annual Financial Statements, as a whole provides a suitable view of the Company's position, and suitably presents the opportunities and risks of future development.

Essen, 13 March 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

Salzmann
Auditor

Mertens
Auditor

Responsibility Statement

“To the best of our knowledge, and in accordance with the applicable accounting principles, the Annual Financial Statements give a true and fair view of the assets, liabilities, financial position and results of operations of the Company, and the Management Report includes a true and fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.”

Dr Rainer Baumgart

Thomas Pleines

Service

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FINANCIAL CALENDAR

2015	
23 January	Preliminary Figures Financial Year 2014
18 March	Annual Report 2014
25 March	Analyst Conference
06 May	3-Month Report 2015
13 May	Annual General Meeting
05 August	Half-Year Report 2015
04 November	9-Month Report 2015

Information/Imprint

Annual Report on the Internet

The secunet Security Networks AG Annual Report can be viewed as a PDF file on the Internet at www.secunet.com. This Annual Report is also available in German. In the event of conflicts the German-language version shall prevail.

Brand names

All the brand and trade names or product names mentioned in this Annual Report are the property of the corresponding holder. This applies in particular for DAX, MDAX, SDAX, TecDAX and Xetra as registered trademarks and property of Deutsche Börse AG.

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