

## 2011 HALF-YEAR FINANCIAL REPORT

# Q2

- BUSINESS PERFORMANCE IN THE FIRST HALF OF 2011 STILL DOWN ON LAST YEAR
- QUARTERLY RESULTS SHOW TREND REVERSAL: SMALLER DECLINE IN REVENUE, SIGNIFICANTLY IMPROVED EBIT
- ORDER BOOK GROWING STRONGLY – MARKED IMPROVEMENT IN SALES PROSPECTS
- OUTLOOK FOR 2011 AS A WHOLE UNCHANGED

### OVERVIEW OF THE KEY FIGURES FOR THE FIRST HALF OF THE YEAR

	H1 2011	H1 2010	Change
Revenue (kEuro)	21,739	25,824	-16%
EBIT (kEuro)	-847	-134	> 100%; -713 kEuro;
EBT (kEuro)	-825	-115	> 100%; -710 kEuro
Profit/loss for the period (kEuro)	-623	-165	> 100%; -458 kEuro
Earnings per share for the period (Euro)	-0.10	-0.03	> 100%; -0.07 Euro
Cash flow from operating activities (kEuro)	-2,360	-2,519	+6%
Capital expenditure (kEuro)	-454	-870	-51%
Order book (mEuro)	30.1	22.5	+34%
Employees (as at 30 June)	275	288	-5%

	30 June 2011	31 Dec 2010	Change
Cash and cash equivalents (kEuro)	11,586	14,344	-19%
Equity (kEuro)	24,406	25,015	-2%
Equity ratio (in%)	71%	59%	+12 percentage points
Loans (kEuro)	0.0	0.0	-/-

### OVERVIEW OF THE KEY FIGURES FOR THE SECOND QUARTER

	Q2 2011	Q2 2010	Change
Revenue (kEuro)	11,495	12,566	-9%
EBIT (kEuro)	591	-262	-/-
EBT (kEuro)	597	-420	-/-
Profit/loss for the period (kEuro)	424	-350	-/-
Earnings per share for the period (Euro)	0.07	-0.05	-/-

## SECUNET SHARE DATA

Reuters	YSNG.DE
Bloomberg	YSN
WKN	727650
ISIN	DE0007276503

	30 June 2011	30 June 2010
Price (Euro)	10.90	11.10
Number of shares	6,500,000	6,500,000
Market capitalisation	70,850,000	72,150,000
52W high/low (Euro)	H: 12.69/L: 10.00	H: 11.18/L: 4.20

	H1 2011	H1 2010
Average daily XETRA trading volume	1,458	2,908

# Interim Group Management Report for the first half of 2011

## REVENUE PERFORMANCE

As announced, the secunet Group generated lower revenue in the first half of 2011 than in the same period last year: Revenues for the period January to June 2011 totalled Euro 21.7m, 16% lower than last year's total of Euro 25.8m.

The reason for this year-on-year decline was the postponement of major projects in the High-Security business unit. The impact of this can be clearly seen when viewed by segment: The largest decline in revenue was recorded in the High Security business unit (*S/NA* product line, crypto technology for public sector consumers), where revenue declined by 37% from Euro 14.9m to Euro 9.4m.

At the same time, the revenue generated by the Government business unit, which supplies federal, state and municipal administrative authorities with IT security solutions, increased. Sales rose by 6% to Euro 7.4m compared with the first half of 2010, during which sales totalling Euro 7.0m were generated.

The Public Sector division, which supplies authorities and other public sector bodies as well as international organisations, and which encompasses the High-Security and Government business units, generated revenues of Euro 16.8m in the first half of 2011. Compared to last year's figure of Euro 21.9m this represented a decline of 23%. Nevertheless, at 77% (last year 85%) the Public Sector division is still the biggest contributor to group revenue.

The Private Sector division generated 23% (last year 15%) of group revenue in the first half of 2011. It focuses on the IT security needs of companies in the private sector. The Private Sector division comprises the Business Security and Automotive Security business units. Due to its size, the latter is included under "other units". In the first six months of 2011, the revenues of the Business Security business unit increased by 4% from Euro 3.4m to Euro 3.5m.

In previous years secunet has observed a strong quarter-on-quarter increase in revenue towards the end of the year. This is due to the nature of the procurement processes of public sector consumers, which make up the bulk of its clientele. Looking at the quarterly revenue trend it is clear that this trend will also continue in the 2011 financial year. Compared to previous years, 2011's business performance will be even more reliant on the second half of the year.

## EARNINGS PERFORMANCE

Other operating income generated in the secunet Group fell from Euro 1.1m during the first six months of 2010 to Euro 0.6m during the same period of this year.

Changes in the individual expense items were as follows:

The cost of materials decreased significantly by 38% or Euro 3.7m from Euro 9.7m in the first half of 2010 to Euro 6.0m in the first half of this year. The reason for this is the reduction in *S/NA* (High-Security business unit) sales and consequently the lower demand for the corresponding hardware components.

Personnel expenses fell by 6% from Euro 11.4m in January-June 2010 to Euro 10.7m in the same period of this year. This decrease was mainly caused by the reduced provision for variable remuneration. In addition, the size of the workforce was reduced.

Depreciation and amortisation remained virtually unchanged in the first half of 2011 at Euro 0.5m.

Other operating expenses increased by Euro 5.6m or 6% in the first half of 2010 to Euro 5.9m in the period January to June 2011. The reason for this is a temporary increase in expenditure on external support services in the first half of 2011.

In total, expenses in the secunet Group decreased from Euro 27.1m in the first half of 2010 to Euro 23.1m in the same period in 2011. As a result, the secunet Group finished the first six months of 2011 with earnings before interest and taxes (EBIT) of Euro -0.8m compared with Euro -0.1m in the first half of 2010.

While EBIT was negative at Euro -0.3 m in Q2 2010, EBIT was Euro 0.6m in Q2 2011. The significant improvement is due to the changing composition of revenues (increased licensing and hardware business).

The half-yearly financial results for 2010 and 2011 were almost identical. Earnings before taxes (EBT) decreased from Euro -0.1m in the first six months of 2010 to Euro -0.8m during the same period this year. Due to the recognition of deferred taxes in the first quarter of 2011, there was a net tax benefit of Euro 0.2m compared to an expense of Euro 0.05m last year. The result for the first six months of 2011 was therefore Euro -0.6m, compared with Euro -0.2m last year. Earnings per share decreased by Euro -0.03 for the period January to June 2010, to Euro -0.10 for the same period in 2011.

## ORDER BOOK

The secunet Group's order book at 30 June 2011 stood at Euro 30.1m compared with the previous year's figure of Euro 22.5m, an increase of 34%. The background is a significantly increased order intake due to increasing demand, in particular on the part of the German army, a major customer.

## CAPITAL EXPENDITURE

secunet invests mainly in the procurement of new and replacement hardware, software and other business equipment. In the first six months of 2011 the Group invested Euro 0.4m, compared to Euro 0.8m in the same period last year. In the first half of 2010 large amounts were invested in improving the company's IT systems.

## FINANCIAL POSITION AND NET ASSETS

The balance sheet of secunet Security Networks AG on 30 June 2011 includes, as was the case in the first quarter of this year, four items that have altered significantly since the end of 2010. These are:

- Trade receivables, down by Euro 5.6m compared to 31 December 2010. As the focus of secunet's business is in the fourth quarter, receivables are high at the end of the year and then decline significantly during the first months of the year.
- Simultaneously and for the same reason, trade payables declined by Euro 3.9m. The increased amount of business in the fourth quarter also increases the cost of materials, resulting in higher payables on the reporting date, which then also decline at the beginning of the year.
- During the first half of the year, provisions also fell by Euro 2.3m due to the payment of variable compensation components, among other things.
- Influenced by this, cash and cash equivalents declined by around Euro 2.7m, from Euro 14.3m at the end of 2010 to Euro 11.6m as at 30 June 2011.

secunet has taken out no loans and therefore had a debt/equity ratio of 0% at the end of the first half of 2011.

Cash flow from operating activities in the first half of 2011 amounted to Euro -2.4m and was therefore almost unchanged from the same period last year (Euro -2.5m). There are however differences in the structure of the cash flow: lower earnings (Euro 0.6m), lower incoming payments from receivables (Euro 1.4m), lower payments of payables (Euro 3.4m) and higher tax payments (Euro 1.1m). The effects essentially balance each other out, as a result of which the cash flow amount is comparable to last year.

## EMPLOYEES

As at 30 June 2011, the number of secunet Group employees was 275. This represents a decrease in headcount of 13 people or 5% compared with the same reporting date last year. The main reason is the termination of the operations of subsidiaries secunet s.r.o. in Prague/Czech Republic and secunet SwissIT AG in Solothurn/Switzerland.

## OPPORTUNITIES AND RISKS

Since the end of the 2010 financial year there has been no change in the principal opportunities and risks as described in the Annual Report for 2010.

## OUTLOOK

High-quality IT security is a market with good prospects. News stories about cyber attacks, data theft and industrial espionage are increasing in frequency, which makes it clear that the threat is growing, both for public bodies and private companies. At the same time, public awareness of the problem is increasing noticeably. Both factors are having a positive influence on secunet's sustainable business development.

secunet Security Networks AG's sales situation is characterised by resurgent demand. Rising procurement is reflected in the growing order intake and in the significantly larger order book. Some of these new projects will be implemented in 2011 and consequently be reflected in the figures. secunet is currently concentrating on completing an advanced hardware encryption system. There is a good chance that the first deliveries of this system will be made this year.

Traditionally, secunet Security Networks AG records most of its business in the second half of the year. This year's figures indicate that this also is likely to also be the case in 2011.

For these reasons, the Board of Management of secunet Security Networks AG confirms its forecast for 2011. It expects revenues to be slightly lower than last year and the EBIT margin to be the same as last year.

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

Essen, 9 August 2011

Dr. Rainer Baumgart

Thomas Koelzer

Thomas Pleines

# Condensed consolidated interim financial statements for the first half of 2011

## CONSOLIDATED BALANCE SHEET OF SECUNET SECURITY NETWORKS AG (IFRS) AS AT 30 JUNE 2011

Assets		
in Euro	30 June 2011	31 Dec 2010
<b>Current assets</b>		
Cash and cash equivalents	11,586,335.80	14,344,166.94
Trade receivables	13,472,279.69	19,038,529.91
Intercompany receivables	169,853.72	145,262.57
Inventories	1,690,810.96	2,292,690.79
Other current assets	254,011.27	89,161.47
Current tax assets	635,907.85	0.00
<b>Total current assets</b>	<b>27,809,199.29</b>	<b>35,909,811.68</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,592,431.92	1,612,067.15
Intangible assets	225,027.88	288,983.80
Goodwill	2,950,000.00	2,950,000.00
Non-current financial instruments	1,196,717.98	1,144,215.00
Deferred taxes	668,981.05	277,540.53
<b>Total non-current assets</b>	<b>6,633,158.83</b>	<b>6,272,806.48</b>
<b>Total assets</b>	<b>34,442,358.12</b>	<b>42,182,618.16</b>

<b>Liabilities</b> in Euro	<b>30 June 2011</b>	<b>31 Dec 2010</b>
<b>Current liabilities</b>		
Trade payables	2,523,080.95	6,408,971.43
Other provisions	3,025,165.22	5,338,837.60
Current tax liabilities	165,614.42	769,236.56
Other current liabilities	628,026.32	1,432,933.94
Prepaid expenses and deferred income	1,263,618.85	1,155,969.42
<b>Total current liabilities</b>	<b>7,605,505.76</b>	<b>15,105,948.95</b>
<b>Non-current liabilities</b>		
Deferred taxes	336,524.17	136,892.38
Provisions for pensions	1,989,561.00	1,820,684.56
Other provisions	103,779.00	103,779.00
<b>Total non-current liabilities</b>	<b>2,429,864.17</b>	<b>2,061,355.94</b>
<b>Equity</b>		
Subscribed capital	6,500,000.00	6,500,000.00
Capital reserves	21,922,005.80	21,922,005.80
Treasury shares	-103,739.83	-103,739.83
Group loss carryforward	-3,309,090.15	-5,127,020.82
Group profit/loss	-622,539.78	1,817,930.67
Accumulated other comprehensive income/loss	20,352.15	6,137.45
<b>Total equity</b>	<b>24,406,988.19</b>	<b>25,015,313.27</b>
<b>Total liabilities</b>	<b>34,442,358.12</b>	<b>42,182,618.16</b>

CONSOLIDATED INCOME STATEMENT  
OF SECUNET SECURITY NETWORKS AG (IFRS)  
FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011

in Euro	01 Apr– 30 June 2011	01 Apr– 30 June 2010	01 Jan– 30 June 2011	01 Jan– 30 June 2010
Revenue	11,495,387.05	12,566,475.75	21,738,897.76	25,824,319.65
Other operating income	158,207.62	247,521.05	556,553.14	1,123,771.93
Cost of materials	-3,410,510.57	-4,074,058.90	-6,015,496.82	-9,654,704.03
Personnel expenses	-4,726,853.27	-5,645,184.45	-10,723,217.86	-11,366,428.35
Depreciation and amortisation	-243,411.84	-242,936.27	-484,033.68	-464,052.04
Other operating expenses	-2,681,739.05	-3,113,687.58	-5,920,056.39	-5,596,451.83
<b>Operating profit</b>	<b>591,079.94</b>	<b>-261,870.40</b>	<b>-847,353.85</b>	<b>-133,544.67</b>
Interest income	22,088.47	10,068.78	46,195.84	22,548.56
Interest expense	-1,021.18	-2,548.93	-2,308.02	-3,405.69
Foreign currency gains/losses	-15,678.64	-165,947.59	-21,091.30	-600.03
<b>Earnings before tax</b>	<b>596,468.59</b>	<b>-420,298.14</b>	<b>-824,557.33</b>	<b>-115,001.83</b>
Income taxes	-172,663.30	70,343.52	202,017.55	-49,579.20
<b>Profit/loss</b>	<b>423,805.29</b>	<b>-349,954.62</b>	<b>-622,539.78</b>	<b>-164,581.03</b>
Earnings per share (diluted and undiluted)	0.07	-0.05	-0.10	-0.03
Average number of shares outstanding (diluted, undiluted, units)	6,469,502	6,469,502	6,469,502	6,469,502

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
OF SECUNET SECURITY NETWORKS AG (IFRS)  
FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011

in Euro	01 Apr– 30 June 2011	01 Apr– 30 June 2010	01 Jan– 30 June 2011	01 Jan– 30 June 2010
Profit/loss for the period	423,805.29	-349,954.62	-622,539.78	-164,581.03
Currency translation differences (change not recognised in profit and loss)	-6,862.07	-11,485.31	14,214.70	-57,254.84
<b>Comprehensive income/loss</b>	<b>416,943.22</b>	<b>-361,439.93</b>	<b>-608,325.08</b>	<b>-221,835.87</b>

CONSOLIDATED CASH FLOW STATEMENT  
OF SECUNET SECURITY NETWORKS AG (IFRS)  
FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011

in Euro	01 Jan– 30 June 2011	01 Jan– 30 June 2010
<b>Cash flow from operating activities</b>		
Earnings before tax (EBT)	-824,557.33	-115,001.83
Depreciation and amortisation	484,033.68	464,052.04
Change in provisions	-2,144,795.94	-2,101,058.42
Book gains/losses (net) on the sale of intangible assets and of property, plant and equipment	1,007.00	0.00
Interest result	-43,887.82	-19,142.87
Change in receivables and other assets	5,979,059.44	7,420,101.19
Change in payables and deferred income	-4,581,311.65	-8,001,120.93
Tax paid	-1,229,321.18	-166,999.17
<b>Net cash generated from operating activities</b>	<b>-2,359,773.80</b>	<b>-2,519,169.99</b>
<b>Cash flow from investing activities</b>		
Purchases of intangible assets and of property, plant and equipment	-401,449.53	-817,813.39
Purchases of financial assets	-52,502.98	-52,502.96
<b>Net cash generated from investment activities</b>	<b>-453,952.51</b>	<b>-870,316.35</b>
<b>Cash flow from financing activities</b>		
Interest received	47,662.50	22,548.56
Interest paid	-2,308.02	-3,405.69
<b>Cash generated from financing activities</b>	<b>45,354.48</b>	<b>19,142.87</b>
Effects of exchange rate changes on cash and cash equivalents	10,540.69	-1,104.72
<b>Changes in cash and cash equivalents</b>	<b>-2,757,831.14</b>	<b>-3,371,448.19</b>
Cash and cash equivalents at the beginning of the period	14,344,166.94	14,669,268.94
<b>Cash and cash equivalents at the end of the period</b>	<b>11,586,335.80</b>	<b>11,297,820.75</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
OF SECUNET SECURITY NETWORKS AG (IFRS)  
FOR THE PERIOD FROM 1 JANUARY 2010 TO 30 JUNE 2011

in Euro	Share capital	Capital reserves	Treasury shares	Net accumulated losses	Accumulated other comprehensive income/loss	Total
<b>Equity at 31 Dec 2009</b>	6,500,000.00	21,922,005.80	-103,739.83	-5,127,020.82	18,664.20	23,209,909.35
Comprehensive income/loss 01. Jan – 30 June 2010				-164,581.03	-57,254.84	-221,835.87
<b>Equity at 30 Jun 2010</b>	6,500,000.00	21,922,005.80	-103,739.83	-5,291,601.85	-38,590.64	22,988,073.48
Comprehensive income/loss 01 July – 30 Dec 2010				1,982,511.70	44,728.09	2,027,239.79
<b>Equity at 31 Dec 2010</b>	6,500,000.00	21,922,005.80	-103,739.83	-3,309,090.15	6,137.45	25,015,313.27
Comprehensive income/loss 01. Jan – 30 June 2011				-622,539.78	14,214.70	-608,325.08
<b>Equity at 30 June 2011</b>	6,500,000.00	21,922,005.80	-103,739.83	-3,931,629.93	20,352.15	24,406,988.19

# Explanatory report

The half-year financial report of secunet Security Networks AG dated 30 June 2011 was compiled in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting". This half-yearly report is condensed. It is to be read in conjunction with the IFRS consolidated financial statements dated 31 December 2010 (Consolidated Financial Statements). This half-yearly financial report was approved by the Board of secunet Security Networks AG on 9 August 2011.

## ACCOUNTING PRINCIPLES

The consolidation principles and currency translation method for the period from 1 January to 30 June 2011 were in accordance with those in the company's Consolidated Financial Statements for financial year 2010. The recognition and measurement methods were unchanged. The Consolidated Financial Statements of secunet Security Networks AG as at 31 December 2010 were produced on the basis of Sections 315 and 315a of the German Commercial Code (HGB) and in accordance with the International Financial Reporting Standards (IFRS) as they are to be applied in the European Union.

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

A tax rate of 32.28% applies to the calculation of income taxes for national companies. Calculation of tax payable on income for foreign companies is based on the relevant rates of tax for those countries.

The preparation of the half-year financial report requires a series of assumptions and estimates on the part of the management. As a result, it is possible that figures reported in the interim report may deviate from the actual figures.

## CONSOLIDATED GROUP

In addition to secunet Security Networks AG, all subsidiaries over which secunet has the power to govern the financial and operating policies are included in the consolidated financial statements. In the reporting period and in financial year 2010 there were no minority interests in equity or in the profit or loss for the respective periods.

Compared with 31 December 2010, the consolidated group was unchanged as at 30 June 2011. The two consolidated subsidiaries secunet s.r.o., Prague/Czech Republic, and secunet SwissIT AG, Solothurn/Switzerland, are in liquidation.

## TREASURY SHARES

As at 30 June 2011, the company held 30,498 treasury shares, the same figure as at 31 December 2010; this equates to 0.5% of the share capital.

## SEGMENT REPORTING

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

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

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

The staff of the *Business Security* business unit focus on security issues affecting industrial companies. Its product line includes 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 *Automotive Security* business unit deals with the IT security issues facing automotive manufacturers. With more and more vehicle functions now being computerised, it is becoming increasingly important for both automotive manufacturers and suppliers to ensure that built-in hardware and software components are protected against unauthorised changes.

<b>Segment report</b> <b>H1 2011</b> in kEuro	<b>High Security</b>	<b>Government</b>	<b>Business Security</b>	<b>Other segments</b>	<b>Consolidation</b>	<b>secunet</b>
Segment revenue external	9,398	7,425	3,515	791	609	21,739
Segment revenue internal	0	0	850	5	-855	0
Segment result before apportionment	-35	2,080	891	-4,677	894	-847
Apportionment	-1,710	-1,389	-1,076	4,174	0	0
Segment result (EBIT)	-1,745	692	-185	-503	894	-847
Interest result						44
Foreign currency gains/losses						-21
Earnings before tax (EBT)						-824
Goodwill	1,339	773	838	0	0	2,950
Depreciation and amortisation	-184	-34	-95	-270	98	-484
<b>Significant expenses</b>						
Personnel expenses	-3,266	-2,869	-2,452	-2,292	155	-10,723
Cost of materials	-3,875	-1,442	-452	-359	112	-6,015

  

<b>Segment report</b> <b>H1 2010</b> in kEuro	<b>High Security</b>	<b>Government</b>	<b>Business Security</b>	<b>Other segments</b>	<b>Consolidation</b>	<b>secunet</b>
Segment revenue external	14,879	6,994	3,381	598	-26	25,824
Segment revenue internal	0	0	857	15	-872	0
Segment result before apportionment	2,689	1,263	770	-5,032	175	-134
Apportionment	-1,713	-1,549	-1,339	4,602	0	0
Segment result (EBIT)	976	-286	-569	-430	175	-134
Interest result						19
Foreign currency gains/losses						0
Earnings before tax (EBT)						-115
Goodwill	1,339	773	838	0	0	2,950
Depreciation and amortisation	-146	-36	-104	-276	98	-464
<b>Significant expenses</b>						
Personnel expenses	-2,992	-3,238	-2,697	-2,434	-5	-11,366
Cost of materials	-7,703	-1,542	-545	-67	202	-9,655

Internal sales show the sales relationships between the segments. The transfer prices are essentially in line with the prices for third-party transactions.

Consolidation primarily involves the elimination of intra-group assets, liabilities, income and expenses. 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 results prior to this apportionment.

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 reporting date.

## RELATED PARTY DISCLOSURES

The consolidated companies within the secunet Group have an association with their main shareholder, Giesecke & Devrient GmbH, Munich, in the course of their normal business activities. No special discounts are offered, all transactions being conducted at normal market rates.

In the first six months of 2011, no Management Board members were promised or granted any benefits by a third party in respect of their activity as members of the Management Board. In the first six months of 2011, the members of the Supervisory Board did not receive any other remuneration (over and above the Supervisory Board remuneration as regulated in the Articles of Association of secunet Security Networks) or benefits for services provided personally, in particular consulting and agency services. Neither the members of the Management Board nor the members of the Supervisory Board received any loans from the company.

## EVENTS AFTER THE REPORTING DATE

There were no significant events after the reporting date.

# Review Report

## TO SECUNET SECURITY NETWORKS AG

We have reviewed the condensed consolidated group interim report, comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of recognised income and expenses, the consolidated statement of changes in equity, the consolidated cash flow statement and selected explanatory notes, together with the interim group management report of secunet Security Networks AG, Essen, for the period from 1 January to 30 June 2011, which are the components of the half-year financial report pursuant to Section 37w of the German Securities Trading Act. The company's legal representatives are responsible for the preparation of the condensed consolidated interim financial statements in accordance with the IFRS standards for interim reporting as applicable in the EU, and of the interim management report for the group in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with the generally accepted standards for the review of financial statements in Germany promulgated by the Institut der Wirtschaftsprüfer (IDW). These standards require that we plan and perform the review to obtain some degree of certainty, through critical evaluation, that the condensed consolidated interim financial statements have been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as they apply in the EU and that the interim group management report has been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and thus provides less assurance than an audit. Since, in accordance with the terms of our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

On the basis of our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as they apply in the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Essen, 9 August 2011

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Salzmann  
Auditor

Drinhausen  
Auditor

# Responsibility Statement

"To the best of our knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of operations of the group, and the interim group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the rest of the financial year."

Essen, 9 August 2011

Dr. Rainer Baumgart

Thomas Koelzer

Thomas Pleines

## FINANCIAL CALENDAR

### 2011

09 November	9-month report 2011
22 November	German Equity Forum 2011

**secunet**

IT security beyond expectations

### Imprint

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This Half-Year Financial Report is also available in German. In the event of conflicts the German-language version shall prevail.