

# Three-Monthly Report

July 2006 - September 2006

## First quarter 2006/2007: Good start in financial year 2006/2007

- Total revenues grew by 19.1% (previous year: 28.7%) to € 11.1 million (previous year: € 9.4 million)
- Revenues in the Americas region grew almost five-fold to € 2.9 million (previous year: € 0.6 million)
- EBIT increased by 30.2% to € 2.5 million (previous year: € 2.0 million)
- Leading American automobile manufacturer chooses Utimaco Security solutions for group-wide implementation
- German automobile group selects SafeGuard Easy to protect 10,000 notebooks in its Research and Development division
- SafeGuard Easy receives FIPS 140-2 certification from the US government
- World-wide first security solution for simultaneous encryption of voice and data developed in cooperation with GSMK
- The analysts at Gartner have once again positioned Utimaco in the 'Leaders' quadrant of the "Magic Quadrant for Mobile Data Protection"
- Utimaco has acquired the French distributor Utimaco Safeware France to extend its European market position

### Key figures

€ 000	2006/2007 Q1 Jul-Sep	2005/2006 Q1 Jul-Sep	2006/2007 3 months Jul-Sep	2005/2006 3 months Jul-Sep
<b>Revenues</b>	<b>11,149</b>	<b>9,361</b>	<b>11,149</b>	<b>9,361</b>
• Growth	19.1%	28.7%	19.1%	28.7%
<b>EBITDA</b>	<b>2,784</b>	<b>2,123</b>	<b>2,784</b>	<b>2,123</b>
• Margin	25.0%	22.7%	25.0%	22.7%
<b>EBIT</b>	<b>2,540</b>	<b>1,950</b>	<b>2,540</b>	<b>1,950</b>
• Margin	22.8%	20.8%	22.8%	20.8%
<b>Net profit</b>	<b>2,198</b>	<b>1,767</b>	<b>2,198</b>	<b>1,767</b>
• Margin	19.7%	18.9%	19.7%	18.9%
<b>EPS (in acc. with IFRS)</b>				
• undiluted	€ 0.15	€ 0.12	€ 0.15	€ 0.12
• diluted	€ 0.14	€ 0.12	€ 0.14	€ 0.12
<b>Operating cash flow</b>	<b>2,106</b>	<b>1,564</b>	<b>2,106</b>	<b>1,564</b>
<b>Employees (Sep 30)</b>	<b>270</b>	<b>228</b>	<b>270</b>	<b>228</b>

### Financial Calendar:

- Presentation Q1 results  
Telephone conference  
for analysts  
15th November 2006
- General meeting  
2005/2006  
17th November 2006
- Company presentation  
Autumn forum of the  
German stock exchange  
28. November 2006
- 6-monthly report  
February 2007
- 9-monthly report  
May 2007
- 12-monthly results  
Financial statement  
press conference  
Analysts conference  
September 2007

### Outlook:

- Continued increased investments in research and development and in marketing and sales
- Double-digit growth and stable profitability expected in 2006/2007

### Utimaco Safeware AG

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ISIN: DE0007572406  
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Bloomberg: USA  
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## Basis and Methods for Accounting Principles

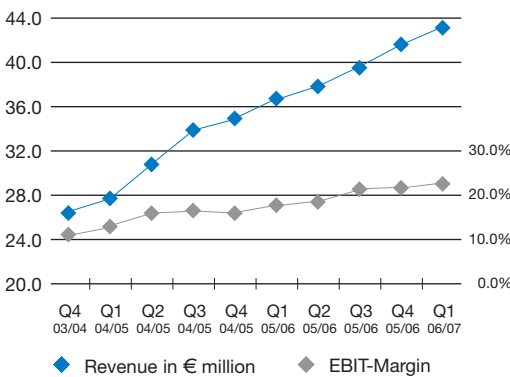
The unaudited quarterly report was created in Euros in accordance with the International Financial Reporting Standards (IFRS). The quarterly report shows no changes in the statutory accounting principles and methods when compared to the consolidated annual report of the fiscal year 2005/2006, completed on 30th June 2006. The consolidated quarterly report includes Utimaco Safeware AG and all subsidiaries, and uses the full consolidation method.

## Changes in Revenues and Results

In the first three months of the current fiscal year, 2006/2007, revenues of € 11.1 million (previous year: € 9.4 million) were achieved. This corresponds to a growth in revenues of 19.1% compared to the same period in the previous year. The revenues generated in the domestic market (Germany) in the first three months contributed 47.8% (previous year: 65.3%) to total revenues.

### Revenue and EBIT margin

Rolling 12-months

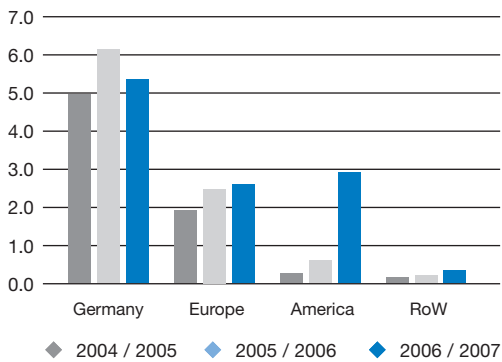


After three months, the region Germany achieved revenues worth € 5.3 million, 12.8% under revenues of the previous year (€ 6.1 million). The largest single order in this region was the supply of 10,000 SafeGuard Easy licenses to a German automobile manufacturer, for securing notebooks in its research and development division. In Europe outside Germany revenues increased by 4.5% to € 2.6 million. (previous year: € 2.5 million). In line with extending the company's European sales network, Utimaco has acquired its French distributor, Utimaco Safeware France, which has an impressive customer list, including Alcatel, Airbus, Banque de France and Sanofi-Aventis. The new wholly-owned subsidiary will be consolidated in the coming quarter.

Revenues from the Americas region were extremely pleasing: this region grew almost five-fold to € 2.9 million (previous year: € 0.6 million). In this region the largest single order was from a leading American automobile manufacturer, which chose Utimaco security solutions for group-wide implementation, for securing its PCs, notebooks, PDAs and servers.

### Revenue by Region

3 months (Jul – Sept)

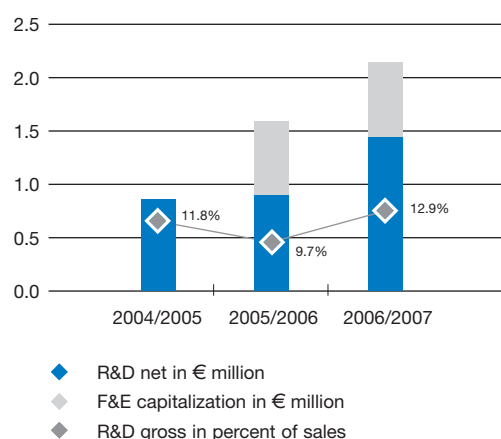


Gross profit on sales grew by 31.8% to € 10.1 million (previous year: € 7.7 million). This corresponds to a gross margin of 90.7% (previous year: 82.0%). This enhancement was due to the substantial growth in sales for the SafeGuard product family and lower project development costs in the Transaction Security division: they fell by € 0.7 million to € 0.2 million (previous year: € 0.9 million). As a result of the company's efforts to turn the solutions of this division into marketable products, costs that were reported under cost of sales in the previous year were for the first time reported as operating costs under research and development costs.

In the reporting period, research and development costs increased to € 2.1 million (previous year: € 1.6 million), of which € 0.7 million (previous year: € 0.7 million) was dedicated to the development of new products and capitalized in accordance with IAS 38. After capitalization, research and development costs equaled € 1.4 million (previous year: € 0.9 million), representing 12.9% of revenues (previous year: 9.7%). The 59.0% increase in research and development costs primarily arose in the Transaction Security division which for the first time has reported € 0.6 million for research and development costs by turning its solutions into marketable products. In the previous year, these costs were reported under cost of sales.

### Research and development costs

3 months (Jul – Sept)

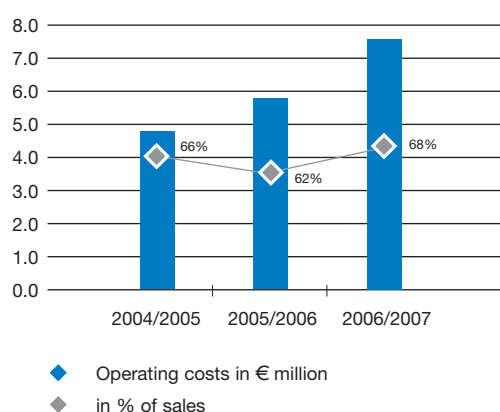


Due to an expansion in sales and marketing activities, sales and marketing costs increased by 38.3% to € 4.8 million (previous year: € 3.4 million). General administration costs of € 1.4 million were slightly lower than those for the previous year.

In total, the operating costs (sales and marketing costs, research and development costs, and general administration cost) increased by 31.2% to € 7.6 million (previous year: € 5.8 million). This included, for the first time, research and development costs from the Transaction Security division. The cost/revenue ratio was also impacted by this effect, equaling 68.2% in the reporting period (previous year: 61.8%).

### Costs

3 months (Jul – Sept)



After three months the operating profit (EBIT) increased by 30.2% to € 2.5 million (previous year: € 2.0 million). The EBIT margin improved to 22.8% (previous year: 20.8%).

The EBITDA result after three months was € 2.8 million (previous year: € 2.1 million), which corresponds to a margin of 25.0% (previous year: 22.7%). The result after tax improved in the reporting period to € 2.2 million, compared to the € 1.8 million achieved in the previous year.

The undiluted result per share in accordance with IFRS equaled € 0.15 (previous year: € 0.12), based on a weighted, undiluted number of shares of 14,745,449 (previous year: 14,726,064). The diluted result per share in accordance with IFRS equaled € 0.14 (previous year: € 0.12), based on a weighted, diluted number of shares of 15,225,449 (previous year: 14,745,449).

In the first three months a positive operating cashflow of € 2.1 million (previous year: € 1.6 million) was achieved.

### Assets and investments

Even at the end of the first quarter of fiscal year 2006/2007, Utimaco has considerable financial resources available. On 30th September 2006 liquid assets equaled € 30.4 million (on 30th June 2006: € 29.2 million). Short-term assets (cash and cash equivalents, receivables, inventories and other short-term assets) exceeded current liabilities by 207% (on 30th June 2006: 184%).

The increase in equity capital in the reporting period from € 36.0 million to € 38.2 million was due to the achieved period surplus of € 2.2 million. The equity ratio on 30th September 2006 equaled 72.3% (on 30th June 2006: 70.6%).

### Investments

In the reporting period, investments totaled € 1.0 million (previous year: € 1.0 million), of which € 0.7 million (previous year € 0.7 million) were due to activated software.

**Staff**

On the 30th September 2006, Utimaco employed 270 associates (previous year: 228). Of these employees, 64% (previous year: 67%) were active in the domestic market (Germany), and 36% were active outside Germany (previous year: 33%).

**Fluctuations in orders: seasonal factors**

Utimaco usually supplies its products and solutions shortly after receiving orders and usually has no major order backlog. The sale of products and solutions is fundamentally dependent on the orders received, and fulfilled, in a particular quarter, and cannot be accurately predicted.

**Outlook**

In the current fiscal year, 2006/2007, we intend to extend our technology and sales partnerships, and in particular concentrate our focus on aggressively developing the market in the USA. We will make even more use of our broad product range, and therefore place greater emphasis on our competitive advantage. In the area of research and development we are concentrating our efforts on the completion of our new product generation, SafeGuard Enterprise, planned for the first quarter of 2007. When SafeGuard Enterprise is launched then, this will also bring to an end the positive effect on earnings caused by the capitalization of software. Due to the long sales cycles, we expect positive effects on revenues resulting from SafeGuard Enterprise sales in fiscal year 2007/2008. Our aim for the current fiscal year is a double-digit growth rate and stable profitability.

## Segment reporting

Utimaco is organized in two divisions (segments) for the purpose of company management:

- I. Personal Device Security
- II. Transaction Security

Income between the segments is presented separately. The basis for offsetting deliveries and services between the segments is the valid market prices applied to customers.

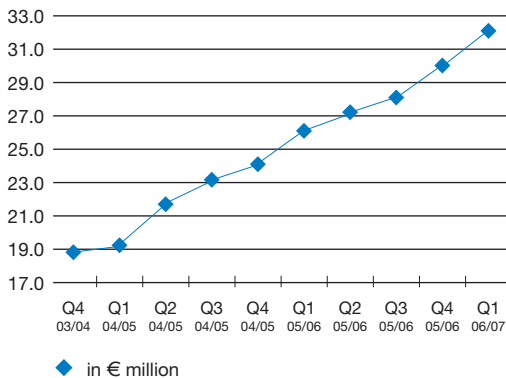
### I. Personal Device Security

The Personal Device Security division develops, markets and sells professional software security products for protecting data against unauthorized access and modification on end devices such as desktops, notebooks, PDAs and smart-phones, and also for protecting sensitive data on network servers. It sells its products both directly and indirectly.

In the first quarter of the current fiscal year, 2006/2007, Personal Device Security has once again achieved continual increases in its revenue from the SafeGuard product family (licenses and maintenance revenues).

#### Personal Device Security SafeGuard® product family revenue

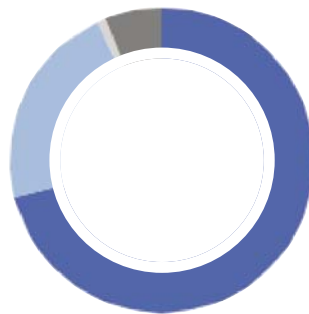
Rolling 12-months



The proportion of revenues achieved by the SafeGuard product family (licenses and maintenance revenues) equaled 92.7% in the reporting period (previous year: 92.1%), of which license sales grew by 22.7%. Maintenance revenues increased by 61.6% to € 2.0 million (previous year: € 1.2 million). In total, this division achieved revenues worth € 9.2 million in the first three months of the current fiscal year, an increase of 29.1% compared to the same period of the previous year (previous year: € 7.1 million). This division's contribution to the operating result (segment contribution) increased by 25.2% to € 3.5 million (previous year: € 2.8 million) with on-going investments in marketing and sales activities.

#### Personal Device Security Revenue by product group

3 months (Jul - Sept)



- Core Segments**
- ◆ Licences: 71%
- ◆ Maintenance: 22%
- Other Segments**
- ◆ Services: 1%
- ◆ Hardware: 6%

#### Personal Device Security

€ 000	2006/2007 3 monthly Jul-Sept	2005/2006 3 monthly Jul-Sept
<b>Revenue</b>	<b>9,218</b>	<b>7,140</b>
• Growth	29.1%	48.5%
<b>Segment contribution*</b>	<b>3,486</b>	<b>2,785</b>
• Margin	37.8%	39.0%

\* before allocation of central costs

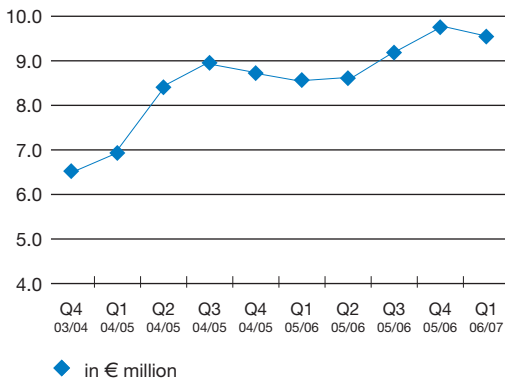
### II. Transaction Security

The Transaction Security division develops server- and gateway-based security solutions to protect data against unauthorized access and manipulation when it is transferred and used in business processes. The applied technologies include security gateways, digital signatures, telecommunications management systems, and hardware security modules, which provide optimum protection for cryptographic services within a secure hardware environment. The solutions are sold directly and indirectly.

In the first three months the Transaction Security division achieved revenues of € 2.2 million (including internal revenues of € 232,000), just under the result for the same quarter in the previous year of € 2.3 million (including internal revenues of € 114,000).

### Transaction Security Revenue development

Rolling 12-months



The Transaction Security division contributed € 0.4 million (previous year: € 0.6 million) to the operating result (segment contribution).

### Transaction Security

	2006/2007 Q1 Jul-Sept	2005/2006 Q1 Jul-Sept
€ 000		
<b>Revenue*</b>	<b>2,162</b>	<b>2,335</b>
• Growth	-7.4%	-8.3%
<b>Segment contribution**</b>	<b>380</b>	<b>648</b>
• Margin	17.6%	27.8%

\* including internal revenues

\*\* before allocation of central costs

### Product news, research and development activities of the Utimaco group

In addition to the on-going modification of the existing product portfolio to match technological developments and increasing security requirements, the emphasis in research and development in the current fiscal year lies on completing SafeGuard Enterprise, the new product generation. SafeGuard Enterprise is a security suite developed on the basis of the existing product portfolio to guarantee multi-platform data security on both mobile and stationary personal devices. The core of this modular solution is a central Management Center which streamlines the definition, implementation and monitoring of company-wide security guidelines. The other modules

handle end device encryption, file and folder encryption, secure data exchange and configuration protection. SafeGuard Enterprise is specifically designed to provide professional security for mobile end devices such as notebooks, PDAs and smartphones in large organizations. In addition, its central management functions also protect PCs, and their ports, along with the data exchanged throughout corporate networks. This solution, which made its prototype debut at CeBit in March 2006, has successfully passed through its alpha test stage and is now being prepared for beta testing by selected customers. The first market-ready version of SafeGuard Enterprise is planned for the first quarter of 2007. This will be followed by additional versions with new modules which can all be combined to suit any range of requirements.

### Gartner analysts again position Utimaco in the 'Leaders' quadrant of the "Magic Quadrant for Mobile Data Protection"

Many companies consider Gartner's "Magic Quadrant for Mobile Data Protection" as an important basis for selecting and evaluating security solutions for mobile data security. The analysts at Gartner have once again positioned Utimaco in the 'Leaders' quadrant in this year's "Magic Quadrant for Mobile Data Protection". Within the quadrant, Utimaco has a top place for Ability to Execute and is the leader in the Completeness of Vision with its product strategy. We see in this result a confirmation that our security solutions for mobile data security are exactly what the market wants and that our product strategy meets the future requirements of the market.

### SafeGuard Easy receives FIPS certification

SafeGuard Easy, with more than 3 million users world-wide making it the market leader in hard disk encryption solution, was awarded the security certificate FIPS 140-2 Level 1 by the National institution of Standards & Technology (NIST) at the US Department of Commerce in September 2006. FIPS (Federal Information Processing Standard) 140-2 describes the levels of security required by US government bodies for encryption technologies. By being awarded FIPS certification SafeGuard Easy has proven that it can meet the world's most stringent security standards and fulfil the basic prerequisite required by US government bodies when they select encryption technologies. FIPS certification is also an important criterion in the decision-making process for many international government bodies, such as NATO, and numerous multinational groups, particularly in the financial sector.

### \* About the Magic Quadrant

The Magic Quadrant is copyrighted 29th August 2006 by Gartner, Inc. and is reused with permission. The Magic Quadrant is a graphical representation of a marketplace at and for a specific time period. It depicts Gartner's analysis of how certain vendors measure against criteria for that marketplace, as defined by Gartner. Gartner does not endorse any vendor, product or service depicted in the Magic Quadrant, and does not advise technology users to select only those vendors placed in the "Leaders" quadrant. The Magic Quadrant is intended solely as a research tool, and is not meant to be a specific guide to action. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

### [SafeGuard Easy is the world's first security solution to use the fingerprint sensor of Lenovo notebooks](#)

SafeGuard Easy version 4.30, which was released for sale in the first quarter of 2006/2007, provides extended authentication technology. In addition to the authentication by a password, and the 2-factor authentication method using a password and an Aladdin token, SafeGuard Easy now also supports the RSA SecurID logon token and is the world's first security solution to use the fingerprint sensor integrated in Lenovo notebooks. So, SafeGuard Easy offers two further 2-factor authentication techniques, which allow extremely secure pre-boot authentication based on knowledge and ownership, or biometric information.

### [New version of SafeGuard PDA with transparent PIM encryption for Windows Mobile 5.0 and a Japanese user interface](#)

SafeGuard PDA for the protection of data on PDAs and smartphones, now also supports the completely transparent encryption of saved PIM (Personal Information Management) data: calendar entries, contacts, e-mails etc., on the Windows Mobile 5.0 platform. This new version 4.11, released in August 2006, also permits background synchronization with the company server even when the device is blocked. The user interface is now available in German, English and French and Japanese. The improved blocking mechanisms in this new version for memory cards such as Bluetooth, infrared and WLAN interfaces, prevent the unauthorized importing or exporting of data or malware.

### [World-wide first security solution for simultaneous encryption of voice and data developed in cooperation with GSMK](#)

As a result of cooperation between Utimaco and GSMK mbH, a German specialist in the area of mobile voice encryption, SafeGuard PDA has been integrated into GSMK's CryptoPhone voice encryption software. Via GSMK, which sells its encryption products to companies and government bodies in more than 50 countries world-wide, now the world's first security solution that can encrypt data and voice communications simultaneously is available.

### [New version of SafeGuard PrivateDisk 2.01 with a portable encryption tool](#)

SafeGuard PrivateDisk is a security solution for generating encrypted "virtual" disk drives (data safes) on hard disks and mobile data media such as diskettes, CD-ROMs, DVDs, MO disks, USB

sticks and flash memory cards. Its interoperability over a range of different platforms allows a secure exchange of encrypted data between PCs and PDAs. The latest version, Version 2.01, now includes a tool (PrivateDisk Portable 1.0) that was specially designed for use with SafeGuard PrivateDisk in mobile environments. It allows authorized users to access encrypted files even outside their own IT environment. For example, users can now read encrypted memory sticks on devices on which no SafeGuard security software is installed.

### [SecurE-Mail Gateway extended to include web messenger technology](#)

SecurE-Mail Gateway is a security solution that implements encryption and digital signatures to centrally secure an organization's e-mail traffic. The most recent version of SecurE-Mail Gateway, Version 5.1, now also includes web messenger technology that links communications partners without the need for a certificate infrastructure. Utimaco acquired this technology, along with the existing customer base, from HiSolutions AG, which first developed it and marketed it under the name of HiMessenger. This new add-on to the SecurE-Mail Gateway, called SafeGuard WebMail, now allows customers to exchange e-mails securely with external communications partners who have not implemented a certificate-based security infrastructure for e-mail. Using this solution, external communications partners receive encrypted mails in a protected web inbox that they can access using SSL, with a standard Internet browser. With SafeGuard WebMail, recipients of sensitive information can now even send new e-mails securely themselves. Thus, SecurE-Mail Gateway provides besides S/MIME and Open PGP, two non-certificate-specific procedures for secure e-mail communications: simple file encryption with SafeGuard PrivateCrypto and the convenient SafeGuard WebMail web messenger.

### [CryptoServer receives official "Nexus Ready" certification](#)

CryptoServer, a hardware security module that encapsulates cryptographic functions and keys in a single secure hardware environment, has received official "Nexus Ready" certification from the Swedish technology company Nexus AB. Nexus is one of the leading European PKI providers for official environments. It has subsidiaries in Germany, France, Spain and the UK, which offer all PKI solutions in conjunction with hardware security modules.

## Consolidated Profit and Loss Statement due to IFRS

€ 000	2006/2007 Q1 Jul-Sep	2005/2006 Q1 Jul-Sep	2006/2007 3 months Jul-Sep	2005/2006 3 months Jul-Sep
<b>Revenues</b>	<b>11,149</b>	<b>9,361</b>	<b>11,149</b>	<b>9,361</b>
Cost of sales	-1,034*	-1,687	-1,034*	-1,687
<b>Gross profit</b>	<b>10,115</b>	<b>7,674</b>	<b>10,115</b>	<b>7,674</b>
Sales and marketing costs	-4,771	-3,449	-4,771	-3,449
Research and development costs	-1,440	-906	-1,440	-906
General administrative costs	-1,387	-1,435	-1,387	-1,435
Other operating income/expenditure, net	25	67	25	67
<b>Result from ordinary operations</b>	<b>2,541</b>	<b>1,951</b>	<b>2,541</b>	<b>1,951</b>
Income from affiliated companies	0	0	0	0
Financial result	187	73	187	73
<b>Result before taxes</b>	<b>2,729</b>	<b>2,025</b>	<b>2,729</b>	<b>2,025</b>
Taxes on income	-530	-257	-530	-257
<b>Result after tax</b>	<b>2,198</b>	<b>1,767</b>	<b>2,198</b>	<b>1,767</b>
Minority interests	0	0	0	0
<b>Net income</b>	<b>2,198</b>	<b>1,767</b>	<b>2,198</b>	<b>1,767</b>
<b>Result per share acc. to IAS</b>				
• basic	€ 0.15	€ 0.12	€ 0.15	€ 0.12
• diluted	€ 0.14	€ 0.12	€ 0.14	€ 0.12
<b>Weighted average number of shares</b>				
• basic	14,745,449	14,726,064	14,745,449	14,726,064
• diluted	15,225,449	14,745,449	15,225,449	14,745,449

\* Including € 163,000 (previous year: € 897,000) for project development of Transaction Security

## Segment Result 1st Quarter

€ 000	Personal Device Security		Transaction Security		Eliminierung/ Allgemein		Summe	
	2006/07 Jul-Sep	2005/06 Jul-Sep	2006/07 Jul-Sep	2005/06 Jul-Sep	2006/07 Jul-Sep	2005/06 Jul-Sep	2006/07 Jul-Sep	2005/06 Jul-Sep
<b>External revenue</b>	<b>9,218</b>	<b>7,140</b>	<b>1,930</b>	<b>2,221</b>	<b>0</b>	<b>0</b>	<b>11,149</b>	<b>9,361</b>
Revenues between segments	0	0	232	114	-232	-114	0	0
<b>Total segment revenue</b>	<b>9,218</b>	<b>7,140</b>	<b>2,162</b>	<b>2,335</b>	<b>-232</b>	<b>-114</b>	<b>11,149</b>	<b>9,361</b>
Cost of material	-428	-266	-264	-283	214	113	-478	-436
Depreciations	-107	-82	-63	-40	-73	-58	-243	-180
Operating costs	-5,905	-4,699	-1,456	-1,363	-1,258	-1,491	-8,619	-7,554
SW capitalization	709	693					709	693
<b>Segment contribution</b>	<b>3,486</b>	<b>2,785</b>	<b>380</b>	<b>648</b>	<b>-1,349</b>	<b>-1,549</b>	<b>2,517</b>	<b>1,884</b>
Other operating income/ expenditure, net							25	67
<b>Result from ordinary operations</b>							<b>2,541</b>	<b>1,951</b>

## Consolidated Balance Sheet due to IFRS

€ 000	3-months- end Sep 30, 2006	Financial year-end June 30, 2006
<b>ASSETS</b>		
<b>Short-term assets</b>		
Cash and cash equivalents	30,433	29,233
Accounts receivable, net	7,896	8,663
Inventories	909	760
Other short-term assets	1,260	835
<b>Total short-term assets</b>	<b>40,498</b>	<b>39,491</b>
<b>Long-term assets</b>		
Long-term financial assets	89	88
Shares in affiliated companies	0	0
Property, plant and equipment	1,352	1,334
Intangible assets	7,417	6,697
Deferred taxes	2,754	2,600
Other long-term assets	781	781
<b>Total long-term assets</b>	<b>12,392</b>	<b>11,500</b>
<b>TOTAL ASSETS</b>	<b>52,890</b>	<b>50,991</b>
<b>LIABILITIES</b>		
<b>Short-term liabilities</b>		
Trade payables	1,428	1,684
Prepayments received	33	35
Other liabilities	2,336	2,714
Tax accruals	1,478	1,231
Other accruals	3,510	3,117
Deferred income	4,420	5,123
<b>Total short-term liabilities</b>	<b>13,205</b>	<b>13,904</b>
<b>Long-term liabilities</b>		
Liabilities due to banks	15	84
Deferred taxes	420	0
Pension accruals	1,026	1,026
<b>Total long-term liabilities</b>	<b>1,462</b>	<b>1,111</b>
<b>Shareholder's equity</b>		
Share capital	14,745	14,745
Capital reserves	5,098	5,032
Other reserves	2,317	2,317
Adjustment item for minority interests/foreign currency translation	13	30
Retained earnings	16,050	13,851
<b>Total shareholder's equity</b>	<b>38,223</b>	<b>35,976</b>
<b>TOTAL LIABILITIES</b>	<b>52,890</b>	<b>50,991</b>

## Consolidated Cash Flow Statement due to IFRS

€ 000	2006/2007 Q1 Jul-Sep	2005/2006 Q1 Jul-Sep	2006/2007 3 months Jul-Sep	2005/2006 3 months Jul-Sep
<b>Cash flow from operating activities</b>				
<b>Net income before taxes</b>	<b>2,729</b>	<b>2,025</b>	<b>2,729</b>	<b>2,025</b>
• Depreciation on property, plant and equipment and intangible assets	243	171	243	171
• Depreciation on financial assets	1	1	1	1
• Change in not-cash items	-19	23	-19	23
• Interest income/expenses	-123	-74	-123	-74
• Changes in accounts receivables, inventories, other assets and deferred income	237	-623	237	-623
• Changes in short-term liabilities, short-term accruals and deferred expenses	-889	27	-889	27
• Tax payments	-73	14	-73	14
<b>Cash flow from operating activities</b>	<b>2,106</b>	<b>1,564</b>	<b>2,106</b>	<b>1,564</b>
<b>Cash flow from investment activities</b>				
• Change in property, plant and equipment and intangible assets	-981	-984	-981	-984
• Interest receipts	146	76	146	76
<b>Cash flow from investment activities</b>	<b>-835</b>	<b>-909</b>	<b>-835</b>	<b>-909</b>
<b>Cash flow from financing activities</b>				
• Changes in obligations to banks	-69	7	-69	7
• Interest payments	-2	-2	-2	-2
<b>Cash flow from financing activities</b>	<b>-71</b>	<b>4</b>	<b>-71</b>	<b>4</b>
Increase in cash and cash equivalents	1,200	660	1,200	660
Cash and cash equivalents at the beginning of the period	29,233	22,372	29,233	22,372
<b>Cash and cash equivalents at the end of the period</b>	<b>30,433</b>	<b>23,031</b>	<b>30,433</b>	<b>23,031</b>

## Consolidated Changes in Equity due to IFRS

	Issued individual share certificates Number	Subscribed capital € 000	Capital reserve € 000	Other reserves € 000	Adjustment items for currency conversion € 000	Retained earnings € 000	Total equity capital € 000
<b>Balance as of 30th June 2002</b>	<b>6,214,343</b>	<b>6,214</b>	<b>27,594</b>	<b>0</b>	<b>144</b>	<b>-28,085</b>	<b>5,869</b>
Purchase of own shares	12,900	13	245				258
Annual net profit						112	112
Adjustment items for foreign currency conversion					64		64
<b>Balance as of 30th June 2003</b>	<b>6,227,243</b>	<b>6,227</b>	<b>27,839</b>	<b>0</b>	<b>208</b>	<b>-27,972</b>	<b>6,303</b>
Capital increase on the 5th September 2003	6,227,243	6,227	2,491				8,718
Cost of issuing shares for capital increase			-384				-384
Tax effect on cost of issuing shares for capital increase			150				150
Capital increase by exercising options	1,542,428	1,542	894				2,437
Equity ratio from warranty bond			382				382
Annual net profit						3,117	3,117
Adjustment items for foreign currency conversion					3		3
<b>Balance as of 30th June 2004</b>	<b>13,996,914</b>	<b>13,997</b>	<b>31,373</b>	<b>0</b>	<b>211</b>	<b>-24,855</b>	<b>20,725</b>
Capital increase by exercising options	729,150	729	534				1,263
Withdrawal from capital reserve			-27,001			27,001	0
Annual net profit						5,994	5,994
Adjustment items for foreign currency conversion					-27		-27
<b>Balance as of 30th June 2005</b>	<b>14,726,064</b>	<b>14,726</b>	<b>4,906</b>	<b>0</b>	<b>184</b>	<b>8,139</b>	<b>27,955</b>
Capital increase by exercising options	19,385	19	25				45
Equity capital from option assignment			101				101
Annual net profit				2,317		5,712	8,029
Adjustment items for foreign currency conversion					-154		-154
<b>Balance as of 30th June 2006</b>	<b>14,745,449</b>	<b>14,745</b>	<b>5,032</b>	<b>2,317</b>	<b>30</b>	<b>13,851</b>	<b>35,976</b>
Equity capital from option assignment			65				65
Annual net profit						2,198	2,198
Adjustment items for foreign currency conversion					-17		-17
<b>Balance as of 30th Sep 2006</b>	<b>14,745,449</b>	<b>14,745</b>	<b>5,098</b>	<b>2,317</b>	<b>13</b>	<b>16,050</b>	<b>38,223</b>