

# Six-Monthly Report

July 2006 - December 2006

## First half year 2006/2007:

### Utimaco shows its strength in first half year 2006/2007

- Total revenues grow by 22.4% to € 26.1 million (previous year: € 21.3 million)
- Revenue in the Americas region more than doubled to € 5.7 million (previous year: € 2.3 million)
- Revenue in Europe outside Germany shows strong growth of 39.3% to € 7.4 million (previous year: € 5.3 million)
- EBIT increased by 23.3% to € 7.2 million (previous year: € 5.9 million)

## Second quarter 2006/2007:

- Increase in revenues by 25.0% to € 15.0 million (previous year: € 12.0 million)
- World-leading chemicals group chooses Utimaco's workgroup-based encryption
- European pharmaceuticals group secures its notebooks world-wide with SafeGuard Easy
- RSA certifies SafeGuard Easy for the SecurID hardware authentication token
- Utimaco acquires its French sales partner

## Significant events after the end of the first six months of 2006/2007:

- Utimaco announces availability of its new data security suite, SafeGuard Enterprise, for CeBIT 2007
- Utimaco and Microsoft integrate Vista's BitLocker into SafeGuard Enterprise

### Key figures at a glance

€ 000	2006/2007 Q2 Oct-Dec	2005/2006 Q2 Oct-Dec	2006/2007 6 months Jul-Dec	2005/2006 6 months Jul-Dec
<b>Revenues</b>	<b>14,970</b>	<b>11,980</b>	<b>26,119</b>	<b>21,341</b>
• Growth	25.0%	7.5%	22.4%	15.9%
<b>EBITDA</b>	<b>5,288</b>	<b>4,125</b>	<b>8,073</b>	<b>6,248</b>
• Margin	35.3%	34.4%	30.9%	29.3%
<b>EBIT</b>	<b>4,707</b>	<b>3,926</b>	<b>7,247</b>	<b>5,876</b>
• Margin	31.4%	32.8%	27.7%	27.5%
<b>Net profit</b>	<b>3,483</b>	<b>3,565</b>	<b>5,682</b>	<b>5,332</b>
• Margin	23.3%	29.8%	21.8%	25.0%
<b>EPS (in acc. with IFRS)</b>				
• undiluted	€ 0.24	€ 0.24	€ 0.39	€ 0.36
• diluted	€ 0.23	€ 0.24	€ 0.37	€ 0.36
<b>Operating cash flow</b>	<b>191</b>	<b>1,587</b>	<b>2,297</b>	<b>3,151</b>
<b>Employees (Dec 31)</b>	<b>279</b>	<b>233</b>	<b>279</b>	<b>233</b>

### Financial Calendar:

- 6-monthly results  
Telephone conference  
for analysts  
26th February 2007
- Company presentation  
Small&MidCap Day CeBIT,  
Hannover  
19th March 2007
- Spring Conference:  
M.M. Warburg, Frankfurt  
21st March 2007
- 9-monthly report  
Telephone conference  
for analysts  
May 2007
- 12-monthly results  
Financial statement press  
conference  
Analysts conference  
September 2007
- General meeting for the  
fiscal year 2006/2007  
27th November 2007

### Outlook:

- Continued increased  
investments in Marketing  
and Sales
- Double-digit growth and  
stable profitability expected  
for FY 2006/2007

### Utimaco Safeware AG

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## Basis and Methods for Accounting Principles

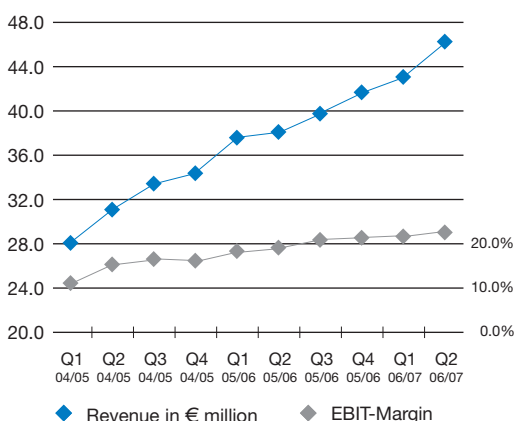
The unaudited quarterly report was created in Euros in accordance with the International Financial Reporting Standards (IFRS). The quarterly report shows no changes in the statutory accounting principles and methods when compared to the consolidated annual report of the fiscal year 2005/2006, completed on 30th June 2006. The consolidated quarterly report includes Utimaco Safeware AG and all subsidiaries, and uses the full consolidation method. A newcomer is Utimaco Safeware France S.A., which was added to the companies included in consolidation for the first time on the 1st October 2006.

## Changes in Revenues and Results

In the first six months of the current business year, 2006/2007, revenues of € 26.1 million (previous year: € 21.3 million) were achieved. This corresponds to a growth in revenues of 22.4% compared to the same period in the previous year. The revenues generated in the domestic market (Germany) after the first six months contributed 45.7% (previous year: 60.1%) to total revenues.

### Revenue and EBIT margin

Rolling 12-months

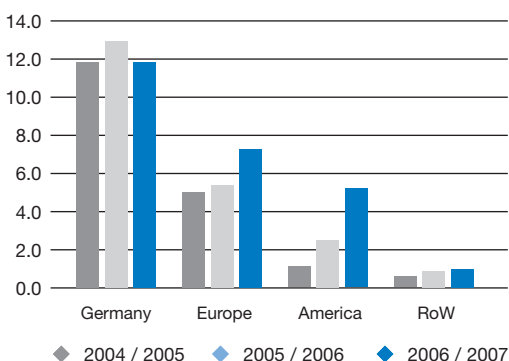


After six months, the region Germany achieved revenues worth € 11.9 million, 6.9% lower than in the previous year (€ 12.8 million). The biggest single order in this region was from a leading chemicals group for 9,000 licenses of SafeGuard LAN Crypt, a workgroup based encryption solution. In Europe outside Germany revenues increased by 39.3% to € 7.4 million (previous year: € 5.3 million). In line with extending its market penetration in European countries outside Germany, the company acquired all shares of its former French sales partner, Utimaco Safeware France S.A., in the second quarter. The new subsidiary, which has a number of well-known customers such as Alcatel, Banque de France and Sanofi-Aventis, was included in consolidation for the first time on the 1st October 2006.

Results from the Americas region were extremely pleasing: this region saw its revenue more than double to € 5.7 million (previous year: € 2.3 million).

### Revenue by Region

6 months (Jul – Dec) in € million

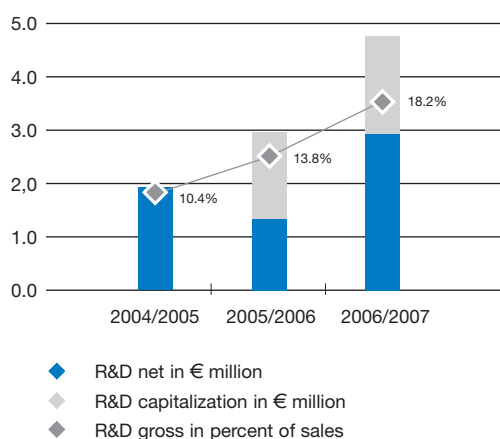


Gross profit on sales rose by 31.2% to € 23.4 million (previous year: € 17.9 million). This corresponds to a gross margin of 89.7% (previous year: 83.7%). The improvement in the gross margin was due to the substantial growth in license sales for the SafeGuard product family in the Personal Device Security division and lower project development costs in the Transaction Security division: they fell by € 1.4 million to € 0.3 million (previous year: € 1.7 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 have been reported as operating costs under research and development costs, since the start of the current fiscal year, 2006/2007.

In the reporting period, research and development costs increased to € 4.8 million (previous year: € 3.0 million), of which € 1.8 million (previous year: € 1.6 million) was dedicated to the development of new products and capitalized in accordance with IAS 38. After capitalization, research and development costs equaled € 3.0 million (previous year: € 1.4 million) representing 11.3% of revenues (previous year: 6.4%). The 116% increase in Research and Development costs arose primarily in the Transaction Security division which for the first time has reported € 1.1 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

6 months (Jul – Dec)

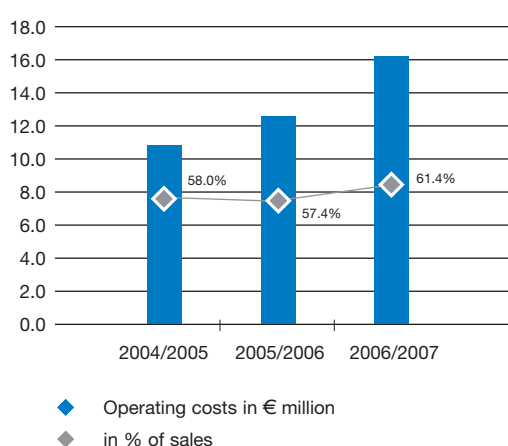


Due to an expansion in sales and marketing activities, sales and marketing costs increased by 30.6% to € 10.1 million (previous year: € 7.7 million). General administration costs of € 3.0 million were at previous year's level (previous year: € 3.1 million).

In total, the operating costs (sales and marketing costs, research and development costs, and general administration costs) increased by 31.1% to € 16.1 million (previous year: € 12.2 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 61.4% in the reporting period (previous year: 57.4%).

### Costs

6 months (Jul – Dec)



After six months the operating profit (EBIT) increased by 23.3% to € 7.2 million (previous year: € 5.9 million). The EBIT margin improved to 27.7% (previous year: 27.5%).

The EBITDA result after six months was € 8.1 million (previous year: € 6.2 million), which corresponds to a margin of 30.9% (previous year: 29.3%).

In the reporting period the result after tax improved by 6.6% to € 5.7 million (previous year: € 5.3 million), a disproportionately low rise compared to the increase in revenues and other results. This is due to a significant increase in the consolidated tax load ratio from 11.7% in the same period in the previous year to 25.7% in the reporting period, as a result of the now exhausted net profit potential from the dissolution of valuation adjustments on deferred taxes.

The undiluted result per share in accordance with IFRS, after six months, equaled € 0.39 (previous year: € 0.36), 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 € 0.37 (previous year: € 0.36), based on a weighted, diluted number of shares of 15,225,449 (previous year: 14,844,579).

In the first six months a positive operating cash-flow of € 2.3 million (previous year: € 3.2 million) was achieved.

### Assets and investments

Even at the end of the first half year of financial year 2006/2007, Utimaco has considerable financial resources available. On 31st December 2006 liquid assets after payment of the dividend of € 2.2 million for fiscal year 2005/2006 equaled € 26.6 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 178% (on 30th June 2006: 184%).

The increase in equity capital in the reporting period from € 36.0 million to € 39.6 million was basically due to the achieved period surplus of € 5.7 million minus the dividend of € 2.2 million for fiscal year 2005/2006. The equity ratio on 31st December 2006 equaled 70.5% (on 30th June 2006: 70.6%).

### Investments

In the reporting period, investments totaled € 2.8 million (previous year: € 2.1 million), of which € 1.8 million were due to activated software (previous year: € 1.6 million).

**Staff**

On the 31st December 2006 Utimaco employed 279 associates (previous year: 233). The number of employees increased by around 20%, primarily in the areas of Research and Development, and Sales and Marketing, with the focus on the Europe and Americas regions. Of these employees, 62% (previous year: 67%) were active in the domestic market (Germany), and 38% were active outside Germany (previous year: 33%).

**Fluctuations in orders: seasonal factors**

Utimaco normally 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 aim to make even more use of our broad product range and put a stronger emphasis on this competitive advantage. In the area of Research and Development we are concentrating our efforts on the completion of our new product generation, SafeGuard Enterprise. When SafeGuard Enterprise is launched, at CeBIT in March 2007, 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 this 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.

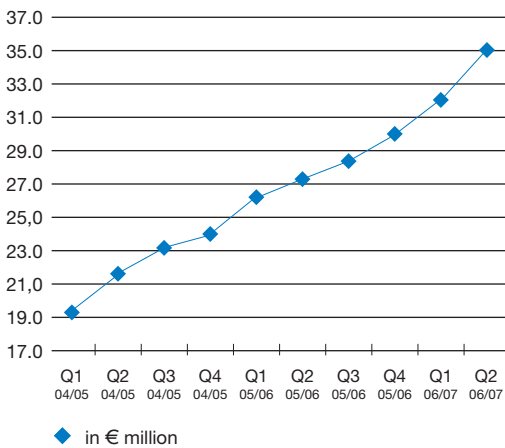
### I. Personal Device Security

The Personal Device Security division develops, markets and sells professional software security products for protecting data against unauthorized access and modification on end devices (desktops, notebooks, PDAs and smartphones), on mobile data media, and for protecting sensitive data on network servers. It sells its products both directly and indirectly.

In the first half year of the current financial 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

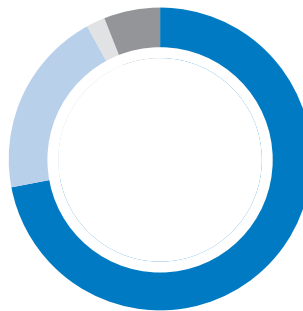


\* Software security products for protecting data on end devices, mobile data media and network servers

by 24.7% to € 9.1 million (previous year: € 7.3 million) with on-going investments in marketing and sales activities.

#### Personal Device Security Revenue by product group

6 months (Jul - Dec)



- Core Segments**
- ◆ Licences: 72%
- ◆ Maintenance: 20%
- Other Segments**
- ◆ Services: 2%
- ◆ Hardware: 6%

#### Personal Device Security

€ 000	2006/2007 6 months Jul-Dec	2005/2006 6 months Jul-Dec
<b>Revenue</b>	<b>21,671</b>	<b>16,591</b>
• Growth	30.6%	22.9%
<b>Segment contribution*</b>	<b>9,059</b>	<b>7,266</b>
• Margin	41.8%	43.8%

\* before allocation of central costs

The proportion of revenues achieved by the SafeGuard product family (licenses and maintenance revenues) equaled 92.5% in the reporting period (previous year: 92.4%), of which license sales grew by 31.0%. Maintenance revenues increased by 29.8% to € 4.4 million (previous year: € 3.4 million). In total, this division achieved revenues worth € 21.7 million in the first six months of the current fiscal year. This represents an increase of 30.6% over the same period last year (€ 16.6 million). This division's contribution to the operating result (segment contribution) increased

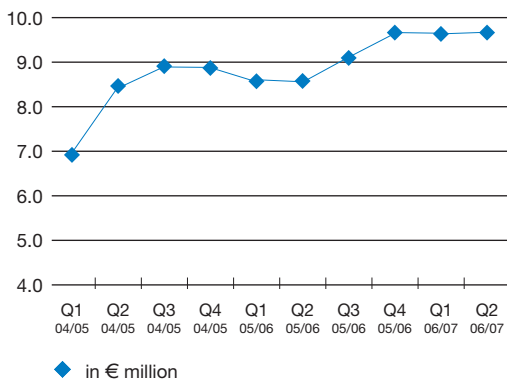
### II. Transaction Security

The Transaction Security division develops server- and gateway-based security solutions to protect data against unauthorized access and manipulation both when it is transferred and when it is used in business processes. The applied technologies include security gateways, digital signatures, telecommunications management systems (LIMS), 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 six months the Transaction Security division achieved revenues of € 5.0 million (including internal revenues of € 518,000), almost the same as in the previous year's period, (previous year: € 5.1 million, including internal revenues of € 337,000). The revenues for the previous period included a part payment of € 1.0 million received from a large order (worth € 2.6 million) for a European toll system.

### Transaction Security Revenue development

Rolling 12-months



The Transaction Security division contributed € 1.2 million (previous year: € 1.6 million) to the operating result (segment contribution.).

### Transaction Security

€ 000	2006/2007 6 months Jul-Dec	2005/2006 6 months Jul-Dec
<b>Revenue*</b>	<b>4,967</b>	<b>5,099</b>
• Growth	-2.6%	-3.1%
<b>Segment contribution**</b>	<b>1,248</b>	<b>1,556</b>
• Margin	25.1%	30.5%

\* 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 the new product generation SafeGuard Enterprise.

#### SafeGuard Enterprise: Product launch at CeBIT 2007

After successfully completing its beta test phase at international customer sites, Utimaco will present the first market-ready version of SafeGuard Enterprise at CeBIT 2007 (15th to 21st March).

This new product generation will, for the first time, enable companies to make use of a fully integrated security suite that meets all their current and future data security needs. SafeGuard Enterprise secures data on mobile and stationary end devices, on mobile memory media, and servers, and in emails. The core of the new modular security suite is a central Management Console, which enables companies to simply and effectively implement security guidelines on their mobile and stationary devices across multi-platform environments to meet compliance requirements. At CeBIT Utimaco will be presenting SafeGuard Enterprise 5.0, with the SafeGuard Management Center and the SafeGuard Device Encryption security module. Additional modules, which can be combined as required (File and Folder Encryption, Secure Data Exchange, Configuration Protection and an interface for modules supplied by external partners), will follow.

#### Utimaco and Microsoft integrate Vista's BitLocker into SafeGuard Enterprise

To ensure optimum enterprise data protection Utimaco and Microsoft have pooled their expertise in security matters. In the framework of their strategic partnership the two companies began to integrate their security solutions in the second quarter of 2006/2007. The purpose of their cooperation is to simplify the creation and administration of data security guidelines in companies. The first step will be to integrate Windows Vista's BitLocker solution in the central Management Console of SafeGuard Enterprise, Utimaco's new data security suite. Microsoft BitLocker is a disk drive security feature that client computers can use in the Microsoft Windows Vista versions Enterprise and Ultimate. SafeGuard Enterprise enables this new Microsoft operating system feature to be managed centrally.

#### Gartner analysts again position Utimaco in "Leaders Quadrant" in this year's "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" (August 2006). 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.

#### \* 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 receives FIPS certification and provides extended authentication technology](#)

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.

### [SafeGuard Easy is the world's first security solution to use the fingerprint sensor integrated in 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 with 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. This method integrates two further 2-factor authentication techniques, which enable extremely secure pre-boot authentication based on knowledge and ownership, or biometric information.

### [RSA certifies SafeGuard Easy for SecurID technology](#)

Utimaco and RSA, the security division of EMC, have tailored their SafeGuard Easy and RSA SecurID hardware authenticator solutions to harmonize their functionality, in the framework of a world-wide technology partnership. This enables companies to profit from an optimized solution that provides an additional layer of security for protecting sensitive data on PCs and notebooks, on the basis of the two-factors principle. When this solution is in use, users can only be authenticated, for accessing data that has been encrypted with SafeGuard Easy, through the combination of knowledge (the password) and ownership

(SecurID token). In November 2006, RSA certified SafeGuard Easy in the context of its RSA Secured Partner Program, and so officially confirmed the technical compatibility between SafeGuard Easy and the RSA SecurID hardware authenticator.

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

Version 5.0 of SafeGuard PDA for the protection of data on PDAs and Smartphones, released in the first quarter of 2006/2007, 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 version also permits background synchronization with the company server even when the device is locked. The user interface is now available in German, English and French and Japanese. The improved blocking mechanisms in this new version, which act on 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 in GSMK's CryptoPhone voice encryption software, in the first quarter of 2006/2007. 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 means that SafeGuard PrivateDisk can also exchange encrypted data securely between PCs and PDAs. Version 2.01, released in the first quarter of 2006/2007, 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, SafeGuard can now read encrypted memory sticks on devices on which no 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, released in the first quarter of 2006/2007, now also includes web messenger technology that links communication partners without the need for a certificate infrastructure. A new add-on to the SecurE-Mail Gateway, called SafeGuard WebMail, now allows to exchange e-mails securely with external communication partners who have not implemented a certificate-based security infrastructure for e-mail. Using this solution, external communication partners receive encrypted mails in a protected web inbox that they can access using SSL, with a normal Internet browser. With SafeGuard WebMail, recipients of sensitive information can now even send new e-mails securely themselves. SecurE-Mail Gateway therefore provides not only S/MIME and Open PGP but two non-certificate-specific procedures for secure e-mail communications: simple file encryption with SafeGuard PrivateCrypto and the convenient SafeGuard WebMail Web Messenger.

#### [New CryptoServer S Series released](#)

In the second quarter of 2006/2007 Utimaco finished work on a new low-cost variant of the CryptoServer hardware security module. This product variant, available in the performance versions

S10 and S50, has the same functional scope as the previous module, but is cheaper, due to its slightly lower physical security. It is intended for customers that want to implement a high-performance security module in a secured physical environment (such as a server room) and do not require on the high levels of physical protection according the FIPS Level 4 certification. If the customer's security requirements become more stringent, a CryptoServer S can easily be replaced by the CryptoServer CS.

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

CryptoServer, a hardware security module that encapsulates cryptographic functions and keys in a single secure hardware environment, received official "Nexus Ready" certification from the Swedish technology company Nexus AB in the first quarter of 2006/2007. 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 its PKI solutions in conjunction with various hardware security modules.

#### [ZKA \(German central credit committee\) recertifies the CryptoServer](#)

The CryptoServer, completed in fiscal year 2005/2006 in compliance with the European RoHS\* Directive, was evaluated and certified for the use in e-payment systems by the ZKA (German central credit committee) in December 2006, just like its predecessor. World-wide, the CryptoServer is the only security module to have been awarded certification in accordance with this standard.

\*RoHS stands for Restriction of Hazardous Substances Directive

## Consolidated Profit and Loss Statement due to IFRS

€ 000	2006/2007 Q2 Oct-Dec	2005/2006 Q2 Oct-Dec	2006/2007 6 months Jul-Dec	2005/2006 6 months Jul-Dec
<b>Revenues</b>	<b>14,970</b>	<b>11,980</b>	<b>26,119</b>	<b>21,341</b>
Cost of sales	-1,643*	-1,787	-2,677**	-3,474
<b>Gross profit</b>	<b>13,327</b>	<b>10,193</b>	<b>23,442</b>	<b>17,867</b>
Sales and marketing costs	-5,329	-4,284	-10,100	-7,733
Research and development costs	-1,510	-460	-2,950	-1,366
General administrative costs	-1,613	-1,711	-3,000	-3,146
Other operating income/expenditure, net	-167	190	-142	257
<b>Result from ordinary operations</b>	<b>4,708</b>	<b>3,927</b>	<b>7,250</b>	<b>5,879</b>
Financial result	214	89	401	163
<b>Result before taxes</b>	<b>4,922</b>	<b>4,017</b>	<b>7,651</b>	<b>6,041</b>
Taxes on income	-1,439	-452	-1,969	-709
<b>Result after taxes</b>	<b>3,483</b>	<b>3,565</b>	<b>5,682</b>	<b>5,332</b>
Minority interests	0	0	0	0
<b>Net income</b>	<b>3,483</b>	<b>3,565</b>	<b>5,682</b>	<b>5,332</b>
<b>Result per share acc. to IFRS</b>				
• basic	€ 0.24	€ 0.24	€ 0.39	€ 0.36
• diluted	€ 0.23	€ 0.24	€ 0.37	€ 0.36
<b>Weighted average number of shares</b>				
• basic	14,745,449	14,726,064	14,745,449	14,726,064
• diluted	15,225,449	14,943,710	15,225,449	14,844,579

\* Including € 103,000 (previous year: € 761,000) for project development of Transaction Security

\*\* Including € 266,000 (previous year: € 1,658,000) for project development of Transaction Security

## Segment Result 2nd Quarter

€ 000	Personal Device Security		Transaction Security		Elimination/ General		Total	
	2006/07 Oct-Dec	2005/06 Oct-Dec	2006/07 Oct-Dec	2005/06 Oct-Dec	2006/07 Oct-Dec	2005/06 Oct-Dec	2006/07 Oct-Dec	2005/06 Oct-Dec
<b>External revenue</b>	<b>12,452</b>	<b>9,452</b>	<b>2,518</b>	<b>2,451</b>	<b>0</b>	<b>-13</b>	<b>14,970</b>	<b>11,980</b>
Revenues between segments	0	0	286	223	-286	-223	0	0
<b>Total segment revenue</b>	<b>12,452</b>	<b>9,452</b>	<b>2,804</b>	<b>2,765</b>	<b>-286</b>	<b>-237</b>	<b>14,970</b>	<b>11,980</b>
Cost of material	-638	-515	-319	-486	297	240	-660	-760
Depreciations	-431	-95	-66	-38	-81	-66	-578	-199
Operating costs	-6,913	-5,258	-1,550	-1,334	-1,496	-1,588	-9,959	-8,180
SW capitalization	1,102	896					1,102	896
<b>Segment contribution</b>	<b>5,572</b>	<b>4,481</b>	<b>869</b>	<b>908</b>	<b>-1,566</b>	<b>-1,651</b>	<b>4,875</b>	<b>3,738</b>
Other operating income/ expenditure, net							-167	190
<b>Result from ordinary operations</b>							<b>4,709</b>	<b>3,927</b>

## Segment Result 6-months

€ 000	Personal Device Security		Transaction Security		Elimination/ General		Total	
	2006/07 Jul-Dec	2005/06 Jul-Dec	2006/07 Jul-Dec	2005/06 Jul-Dec	2006/07 Jul-Dec	2005/06 Jul-Dec	2006/07 Jul-Dec	2005/06 Jul-Dec
<b>External revenue</b>	<b>21,671</b>	<b>16,591</b>	<b>4,449</b>	<b>4,762</b>	<b>0</b>	<b>-13</b>	<b>26,119</b>	<b>21,341</b>
Revenues between segments	0	0	518	337	-518	-337	0	0
<b>Total segment revenue</b>	<b>21,671</b>	<b>16,591</b>	<b>4,967</b>	<b>5,099</b>	<b>-518</b>	<b>-350</b>	<b>26,119</b>	<b>21,341</b>
Cost of material	-1,066	-780	-584	-769	511	354	-1,138	-1,196
Depreciations	-539	-177	-129	-77	-154	-124	-822	-379
Operating costs	-12,818	-9,958	-3,006	-2,698	-2,754	-3,080	-18,578	-15,734
SW capitalization	1,811	1,590					1,811	1,590
<b>Segment contribution</b>	<b>9,059</b>	<b>7,266</b>	<b>1,248</b>	<b>1,556</b>	<b>-2,915</b>	<b>-3,200</b>	<b>7,392</b>	<b>5,622</b>
Other operating income/ expenditure, net							-142	257
<b>Result from ordinary operations</b>							<b>7,250</b>	<b>5,879</b>

## Consolidated Balance Sheet due to IFRS

€ 000	6-months- end Dec 31, 2006	Financial year-end June 30, 2006
<b>ASSETS</b>		
<b>Short-term assets</b>		
Cash and cash equivalents	26,580	29,233
Accounts receivable, net	14,534	8,663
Inventories	1,137	760
Other short-term assets	990	835
<b>Total short-term assets</b>	<b>43,240</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	1,546	1,334
Intangible assets	8,824	6,697
Deferred taxes	1,720	2,600
Other long-term assets	781	781
<b>Total long-term assets</b>	<b>12,960</b>	<b>11,500</b>
<b>TOTAL ASSETS</b>	<b>56,200</b>	<b>50,991</b>
<b>LIABILITIES</b>		
<b>Short-term liabilities</b>		
Trade payables	1,329	1,684
Prepayments received	72	35
Other liabilities	3,030	2,714
Tax accruals	1,446	1,231
Other accruals	4,212	3,117
Deferred income	5,480	5,123
<b>Total short-term liabilities</b>	<b>15,569</b>	<b>13,904</b>
<b>Long-term liabilities</b>		
Liabilities due to banks	10	84
Deferred taxes	0	0
Pension accruals	1,026	1,026
<b>Total long-term liabilities</b>	<b>1,037</b>	<b>1,111</b>
<b>Shareholder's equity</b>		
Share capital	14,745	14,745
Capital reserves	5,207	5,032
Other reserves	2,317	2,317
Adjustment item for minority interests/foreign currency translation	3	30
Retained earnings	17,321	13,851
<b>Total equity capital</b>	<b>39,594</b>	<b>35,976</b>
<b>Total LIABILITIES</b>	<b>56,200</b>	<b>50,991</b>

## Consolidated Cash Flow Statement due to IFRS

€ 000	2006/2007 Q2 Oct-Dec	2005/2006 Q2 Oct-Dec	2006/2007 6 months Jul-Dec	2005/2006 6 months Jul-Dec
<b>Cash flow from operating activities</b>				
<b>Net income before taxes</b>	<b>4,922</b>	<b>4,017</b>	<b>7,651</b>	<b>6,041</b>
• Depreciation on property, plant and equipment and intangible assets	580	198	823	369
• Depreciation on financial assets	2	1	3	2
• Change in other not-cash items	-6	-33	-25	-10
• Elimination of earnings and expenditure from cash deposits and financial instruments	-149	-91	-272	-165
• Change in accounts receivable, inventories, other assets and deferred income	-5,666	-2,681	-5,429	-3,304
• Changes in short-term liabilities, short-term accruals and deferred expenses	592	199	-298	226
• Tax payments	-83	-23	-156	-9
<b>Cash flow from operating activities</b>	<b>191</b>	<b>1,587</b>	<b>2,297</b>	<b>3,150</b>
<b>Cash flow from investment activities</b>				
• Change in property, plant and equipment and intangible assets	-1,859	-1,123	-2,840	-2,108
• Interest receipts	231	92	377	168
• Change in financial assets	-95	0	-95	0
• Change in scope of consolidation minus liquid assets	-86	0	-86	0
<b>Cash flow from investment activities</b>	<b>-1,810</b>	<b>-1,031</b>	<b>-2,645</b>	<b>-1,940</b>
<b>Cash flow from financing activities</b>				
• Dividend payments	-2,212	0	-2,212	0
• Changes in obligations to banks	-5	-9	-74	-2
• Interest payments	-17	-3	-19	-5
<b>Cash flow from financing activities</b>	<b>-2,234</b>	<b>-12</b>	<b>-2,305</b>	<b>-8</b>
Increase in cash and cash equivalents	-3,853	544	-2,653	1,204
Cash and cash equivalents at the beginning of the period	30,433	23,031	29,233	22,372
<b>Cash and cash equivalents at the end of the period</b>	<b>26,580</b>	<b>23,575</b>	<b>26,580</b>	<b>23,575</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			174				174
Annual net profit						5,682	5,682
Dividend payments						-2,212	-2,212
Adjustment items for foreign currency conversion					-27		-27
<b>Balance as of 31st Dec 2006</b>	<b>14,745,449</b>	<b>14,745</b>	<b>5,207</b>	<b>2,317</b>	<b>3</b>	<b>17,321</b>	<b>39,594</b>