

Utimaco Presents its Results for Fiscal Year 2003/2004

- Security software license sales grow by 23%
- Revenue from transaction security projects grows by 19%
- EBIT margin increases to 10.9%
- Positive operating cash flow of € 3.3 million

Oberursel, September 30th, 2004 - After releasing its preliminary results on August 26, 2004, Utimaco today presented the final results for the year ended June 30, 2004 (fiscal 2003/2004). In fiscal 2003/2004 Utimaco, specialist for IT security solutions, benefited from the growing awareness of IT security issues and has reached important milestones in strengthening its market position.

The Personal Device Security division, providing IT security products for the protection of sensitive data on mobile devices, grew its software licence business by 23% in fiscal 2003/2004. At the same time revenues from third-party hardware products (smartcards and smartcard readers) have been reduced according to plan. In total, Personal Device Security generated sales of € 21.1 million, slightly above prior year revenues of € 20.9 million. Driven by strong growth in the high-margin software licence business, the division's operating result before allocation of central costs increased by 20% to € 5.0 million (previous year: € 4.2 million).

The Transaction Security division, which specializes in securing electronic business processes, grew by 19% to € 6.6 million (previous year: € 5.6 million). This included inter-company revenues of € 0.7 million (previous year € 0.7 million). After a break-even result in the previous year, the Transaction Security division delivered a € 1.6 million operating result in fiscal 2003/2004, before allocation of central costs.

In total, group sales grew by 4% to € 26.9 million (previous year: € 25.8 million).

The group's operating result (EBIT) grew to € 2.9 million, a significant increase compared to fiscal 2002/2003 (€ 0.1 million). The corresponding EBIT margin was 10.9 % (previous year: 0.5 %). EBITDA in fiscal 2003/2004 increased to € 3.7 million (previous year: € 0.7 million), underlining the sustainability of the turnaround achieved in the previous year.

Earnings per Share (EPS), which were positively affected by the adjustment of deferred taxes, were € 0.26 (previous year: € 0.02).

In fiscal 2003/2004, Utimaco generated a positive operating cash flow of € 3.3 million (previous year: € -0.5 million). The group's free cash flow (operating cash flow minus investments) was € 2.2 million (previous year: € 0.7 million). "I am pleased with our free cash flow performance, indicating our company's strength for financing future investments", said Christian Bohne, CFO of Utimaco. At the same time Utimaco has considerable financial re-

sources of € 16.4 million as of June 30, 2004 (previous year: € 2.3 million), allowing Utimaco to seize the opportunities of the IT security market.

"We will increase our investments in marketing and further developing our product portfolio for mobile device security, to strengthen our position as global leader in this market segment", said Martin Wülfert, CEO of Utimaco.

The company expects to generate profitable growth of at least 10% in the ongoing fiscal year.

Utimaco Safeware AG is one of the leading technology manufacturers of professional solutions for IT security. The security technologies and solutions developed by Utimaco Safeware protect electronic values of companies and authorities from unauthorized access and guarantee that business processes and administration procedures are binding and confidential.

The business unit Personal Device Security provides technologies and solutions to guarantee mobile security in the fields of strong authentication, including biometric procedures, encryption and integrity control. The products and solutions secure data in Terminal Server and Citrix environments, on PCs, Laptops and PDAs.