Six-Monthly Report

° July 2007 - December 2007

First half year 2007/2008 exceeds expectations

- Group revenues grow by 12.9% to € 29.5 million (previous year: € 26.1 million)
- Operating result (EBITDA) of € 7.7 million (previous year: € 8.1 million) achieved with EBITDA margin of 26.1% (previous year: 30.9%)

Second quarter 2007/2008 shows record revenues

- Record revenue of € 18.5 million (previous year: € 15.0 million) achieved
- SafeGuard Enterprise 5.2 released, with new modules for managing Microsoft Vista BitLocker and secure data exchange using external memory media
- European government body places major million-Euro order for SafeGuard Enterprise
- Leading American pharmaceutical producer chooses SafeGuard Easy for group-wide implementation

Significant events after the end of the first six months of 2007/2008

- Utimaco regains Investcorp as a strategic investor to support continued expansion in the area of data security solutions

Key Figures

€ 000	2007/2008 Q2 Oct-Dec	2006/2007 Q2 Oct-Dec	2007/2008 6 months Jul-Dec	2006/2007 6 months Jul-Dec
Revenues	**18,527**	**14,970**	**29,495**	**26,119**
• growth	23.8%	25.0%	12.9%	22.4%
EBITDA	**6,184**	**5,288**	**7,695**	**8,073**
• margin	33.4%	35.3%	26.1%	30.9%
EBIT	**5,514**	**4,707**	**6,356**	**7,247**
• margin	29.8%	31.4%	21.5%	27.7%
Net profit	**4,045**	**3,483**	**4,967**	**5,682**
• margin	21.8%	23.3%	16.8%	21.8%
EPS (in acc. with IAS)				
• undiluted	€ 0.27	€ 0.24	€ 0.34	€ 0.39
• diluted	€ 0.26	€ 0.23	€ 0.32	€ 0.37
Operating cash flow	**-2,146**	**191**	**-5,008**	**2,297**
Employees (Dec 31)	**302**	**279**	**302**	**279**

Financial Calender

- Presentation of 6-monthly results Telephone conference for analysts 28th February 2008
- Deutsche Bank – Pan European Small and Mid Cap Conference London, UK 12th March 2008
- Close Brothers Seydler – Small & Mid Cap Conference Frankfurt, Germany 7th May 2008
- Equinet - European Mid & Small Cap Conference London, UK 27th May 2008
- 9-monthly report May 2008
- Cheuvreux – European Small & Mid Cap Conference London, UK 18th June 2008
- 12-monthly results Analysts conference September 2008
- General meeting 2007/2008 19th November 2008

Outlook

- Continued double-digit growth in revenues for the second half of fiscal year 2007/2008 and stable profitability expected for the fiscal year 2007/2008 as a whole

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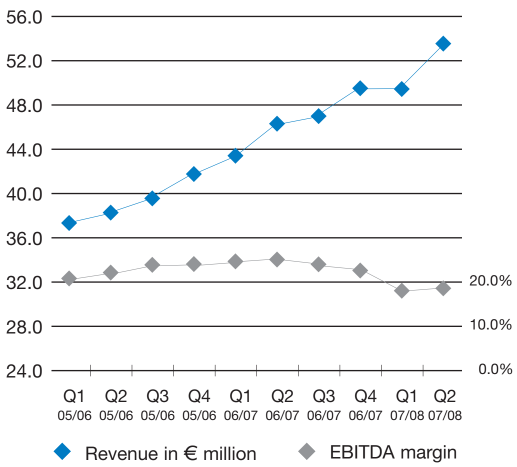
Interim Consolidated Financial Report (July – December 2007)

Group framework conditions and business development

After achieving record revenues of € 18.5 million in the second quarter of fiscal year 2007/2008 (previous year: € 15.0 million), the Utimaco group’s revenue development considerably exceeded expectations in the first half year 2007/2008, growing by 12.9% to € 29.5 million (previous year: € 26.1 million). Against the background of the transitional phase to the new product portfolio, SafeGuard Enterprise, the company had expected to see a sideways movement in its revenue streams in the first half of this fiscal year. The unexpectedly positive business development resulted from the considerable increase in contributions to revenues by the new product generation, SafeGuard Enterprise, and from a very positive development in business with Lawful Interception & Monitoring Solutions (LIMS). In Europe, in particular, the revenue achieved with SafeGuard Enterprise exceeded expectations. This was due, among other things, to a major order placed by a European federal state body at year end. Overall, it was pleasing to see that the demand for data security solutions in the company's important markets, Europe and the USA, remained unaffected by the current credit crisis and associated weakening of the economic situation in the USA.

Revenue and EBITDA margin

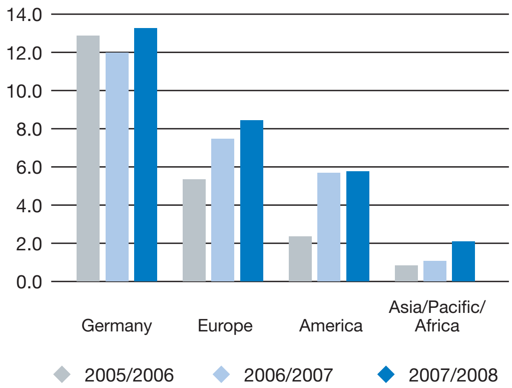
Rolling 12-monthly review



After six months, the region Germany achieved revenues worth € 13.2 million, 10.7% higher than for the previous year (€ 11.9 million). In total, this region contributed 44.8% of total revenues (previous year: 45.7%). In Europe outside Germany revenues increased by 13.3% to € 8.4 million (previous year: € 7.4 million). The America region found itself in the transitional phase to the new product portfolio, and its revenues were unchanged from the previous year, at € 5.7 million. However, a major order for SafeGuard Easy from a leading pharmaceuticals manufacturer in the second quarter compensated for a record order won from a world-leading automobile group in this region in the previous year. Revenue in the Asia/Pacific/Africa region almost doubled to € 2.1 million (previous year: € 1.1 million).

Revenue by Region

6 months (Jul-Dec) in € million

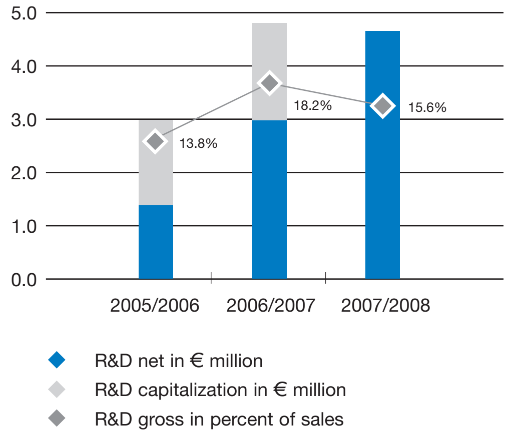


The gross profit on sales after six months equaled € 25.1 million, 6.9% higher than the previous year’s value of € 23.4 million. This corresponds to a gross margin of 84.9% (previous year: 89.7%). The fall in the gross margin was mainly due to the regular amortization of € 0.8 million on capitalized development costs for the new SafeGuard Enterprise product generation, and also to a extraordinary charge of € 0.4 million on goods sold in the LIMS division, in the second quarter.

Research and Development costs in the first six months were slightly under the gross value for the same period in the previous year, at € 4.6 million (previous year: € 4.8 million, excluding capitalization of € 1.8 million). In the reporting period no development costs were capitalized for self-developed software (previous year: capitalization worth € 1.8 million). Research and Development costs equaled 15.6% of revenues (previous year: gross 18.2%, net 11.3%).

Research and development costs

6 months (Jul-Dec)

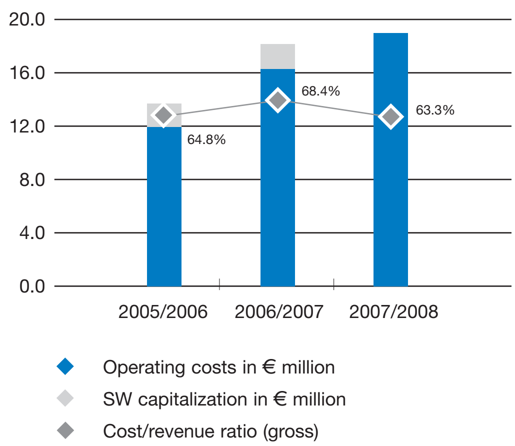


Sales and marketing costs of € 10.9 million were 7.5% higher than for the same period in the previous year (€ 10.1 million). General administration costs equaled € 3.2 million (previous year: € 3.0 million).

In total, the operating costs (sales and marketing costs, research and development costs, and general administration costs) increased by 16.4% to € 18.7 million (previous year: € 16.1 million). After the cost-reducing capitalization effects from the same period in the previous year have been excluded, the increase equaled only 4.6%. The cost/revenue ratio equaled 63.3% in the reporting period (previous year: gross 68.4%, net 61.4%).

Operating costs

6 months (Jul-Dec)



The EBITDA result after six months was € 7.7 million (previous year: € 8.1 million), which corresponds to a margin of 26.1% (previous year: 30.9%). The EBITDA result achieved in the same period in the previous year was positively affected by capitalized development costs worth € 1.8 million.

A positive operating profit (EBIT) of € 6.4 million (previous year: € 7.2 million) was achieved, and an EBIT margin of 21.5% (previous year: 27.7%). Excluding the amortization on capitalized development costs and the capitalization effects from the same period in the previous year, the operating profit improved by 31.1% compared to the same period in the previous year.

The result before tax (EBT) was € 7.0 million (previous year: € 7.7 million), which corresponds to a margin of 23.6% (previous year: 29.3%).

The result after tax (EAT) was € 5.0 million, compared to € 5.7 million in the previous year, with a margin of 16.8% (previous year: 21.8%).

The undiluted result per share in accordance with IAS equaled € 0.34 (previous year: € 0.39), based on a weighted, undiluted number of shares of 14,745,449 (previous year: 14,745,449). The diluted result per share in accordance with IAS equaled € 0.32 (previous year: € 0.37), based on a weighted, diluted number of shares of 15,320,558 (previous year: 15,225,449).

The operating cashflow equaled € -5.0 million (previous year: € 2.3 million) after six months. The operating cashflow was impacted, among other things, by tax payments of € 2.4 million (previous year: € 0.2 million), of which € 1.3 million was due for previous periods, and also the payment of € 2.2 million, in settlement of a 3-Year Bonus Program.

Assets and investments

Utimaco has considerable financial resources available after the first six months of fiscal year 2007/2008. On 31st December 2007 liquid assets, including securities that can be liquidated at short notice, equaled € 26.0 million (on 30th June 2007: € 33.1 million). The outflow of € 7.1 million funds arose primarily from the payment of the dividend of € 2.2 million for fiscal year 2006/2007, the payout of € 2.2 million for the 3-Years Bonus Program, and tax payments of € 2.4 million. Short-term assets (cash and securities, receivables, inventories and other short-term assets) exceeded current liabilities by 214% (on 30th June 2007: 159%).

The increase in equity capital in the reporting period from € 40.5 million to € 43.5 million was primarily due to the achieved period surplus of € 5.0 million minus the dividends payment for fiscal year 2006/2007 which totaled € 2.2 million. On the 31st December 2007 the equity ratio equaled 69.6% (on 30th June 2007: 66.2%).

Investments

In the reporting period, investments equalling € 0.6 million were made (previous year: € 2.8 million.).

Employees

On the 31st December 2007, Utimaco employed 302 staff (previous year: 279 staff). Of these staff, 62% were active in Germany (previous year: 62%), and 38% were active outside Germany (previous year: 38%).

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.

Risk report

Utimaco has a risk management system with which risks can be recognized and analyzed early on, and appropriate measures can also be arranged. The risk factors have not changed significantly in the first half year of fiscal year 2007/2008, compared to reporting year 2006/2007. These risk factors have been reported in Utimaco's annual report for the year 2006/2007.

Important events after end of the second quarter

Utimaco has regained Investcorp as a strategic investor. The transatlantic investment group, which specializes in technology investments, announced that it had purchased around 24% of all Utimaco shares in January 2008. With this transaction, Investcorp Technology Partners has once again become the largest individual shareholder in Utimaco. Between September 2003 and September 2005, Investcorp Technology Partners had already been an anchor investor, enabling an acceleration of Utimaco's growth strategy in the mobile data security market. The aim of entering into this second participation is to accompany Utimaco on its chosen path and to accelerate the company's growth in the strongly growing market for data security solutions.

Outlook

Market researchers have forecast continued positive developments in the IT security market in the coming years. In our estimation, a potential slowdown in the world economy will have little impact on this market. Consequently we expect to see additional growth to be generated from the US and European market, in the current fiscal year, 2007/2008. In these regions we intend to further extend our market position with our new product generation, SafeGuard Enterprise. We will open up the Japanese market more broadly with a Japanese language version of SafeGuard Enterprise, and expect the first fruits in the second half of the fiscal year. In the current fiscal year we intend to further extend our existing technology and sales partnerships with Lenovo, Intel, Nokia Siemens Networks and Huawei, and also build up relations with other important partners.

Our Research and Development efforts concentrated on completing our new product generation, SafeGuard Enterprise, to make it a comprehensive solution for data security.

By the second half of the fiscal year we expect to see further growing contributions to revenues from SafeGuard Enterprise and continued double-digit growth figures across the group. As the positive effects on earnings due to the capitalization of software has ended, and the amortization of capitalized development costs has begun, our result, compared to the previous fiscal year, will be burdened by an additional € 3.9 million. However, we expect to see stable profitability for the year 2007/2008 as a whole.

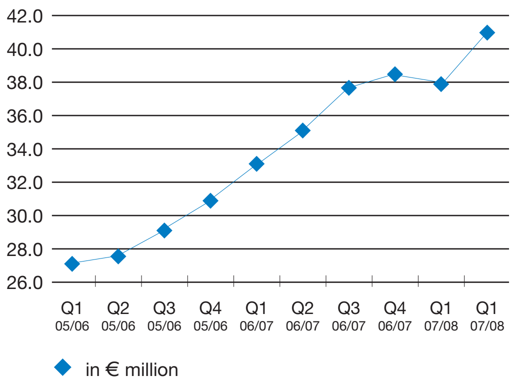
Development of revenues and results for the divisions

Data Protection

The Data Protection division develops and sells professional solutions for protecting the confidentiality and integrity of data when it is stored (data at rest), on the move (data in transit) and being used in business processes (data in use). The solution portfolio is branded as the SafeGuard product family and includes both software and hardware solutions. It primarily sells its products mainly indirectly, via sales and OEM partners.

After a weaker first quarter the Data Protection division succeeded in improving its business with software licenses in the second quarter, especially through increasing contributions to revenues from the new product generation, SafeGuard Enterprise, compared to the same period in the previous year. Its license sales increased by 27.7% to € 11.7 million (previous year: € 9.2 million). This includes a major million-Euro order for SafeGuard Enterprise, won from a European federal state body at year end. Revenues generated from software license sales and maintenance revenues grew by 25.5% in the second quarter to € 14.6 million (previous year: € 11.6 million).

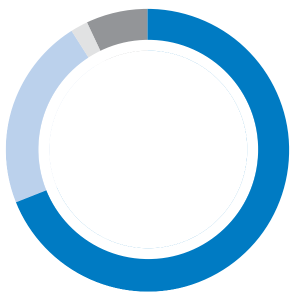
Data Protection
Revenue from licenses and maintenance
Rolling 12-monthly review



After the first six months of 2007/2008 revenues generated from software license sales and maintenance revenues grew by 12.1% to € 22.7 million (previous year: € 20.2 million).

The proportion of revenues achieved by the software solutions (licenses and maintenance revenues) equaled 90.9% in the reporting period (previous year: 88.7%), of which license sales grew by 9.1% to € 17.2 million (previous year: € 15.7 million). Maintenance revenues increased by 22.2% to € 5.5 million (previous year: € 4.5 million). In total, this division achieved revenues worth € 24.9 million in the first six months of the current fiscal year, an increase of 9.4% compared to the same period last year (previous year: € 22.8 million). This division's contribution to the operational result (segment contribution) was € 7.5 million (previous year: € 8.6 million), representing a margin of 29.9% (previous year: 37.6%). Excluding the amortization on capitalized development costs, worth € 0.8 million, and the capitalization effects from the same period in the previous year, worth € 1.8 million, the segment contribution improved by 21.6% compared to the same period in the previous year.

Data Protection
Revenue by product groups
6 months (Jul-Dec)



Licenses: 69% Service: 2%
Maintenance: 22% Hardware: 7%

Data Protection

€ 000	2007/2008 6 months Jul-Dec	2006/2007 6 months Jul-Dec
Revenue	**24,914**	**22,782**
• Growth	9.4%	25.5%
Segment contribution*	**7,450**	**8,571**
• Margin	29.9%	37.6%

* before allocation of central costs

Lawful Interception & Monitoring Solutions (LIMS)

The Lawful Interception & Monitoring Solutions (LIMS) division develops solutions for network operators and telecommunications providers for the legally-compliant monitoring of telecommunications services of all kinds. The LIMS solutions are based on a central management platform which administers all a telecommunications provider's communications services that are to be monitored. The LIMS solutions also form the interface to the authorized government bodies ("LEAs": law enforcement agencies) and their monitoring centers. They support a multitude of network devices so they can be integrated in almost any communications network belonging to a fixed network, mobile telephony or Internet provider. They can monitor voice and data services including telephony, fax, SMS, MMS, Email, voicemail, VoIP, Push-to-Talk and other internet services.

The LIMS solutions are designed to meet the international Lawful Interception (LI) standards defined by ETSI, 3GPP, ANSI and PacketCable, and have been tested by numerous different national authorities to verify that they are suitable for extracting monitoring data. They take into account the highest security requirements when processing confidential data in every part of the system, by using encryption, revisionproof auditing and the division of functions in accordance with the secondary authorization principle. They are sold primarily via OEM partners.

In the first six months of this fiscal year, the Lawful Interception & Monitoring Solutions (LIMS) division succeeded in increasing its revenues by 37.3% to € 4.6 million (previous year: € 3.3 million). Here, in particular, there was a considerable increase in orders in the second quarter of 2007/2008 following a change in the law in Germany, which requires all ISPs with more than 10,000 subscribers to implement monitoring equipment by the end of 2007 at the latest and to set up monitoring measures when required to by authorized government bodies. In addition to direct business with these customers, the company also strengthened its business with partners such as Nokia Siemens Networks (NSN) and Huawei, and entered into negotiations with another possible partner.

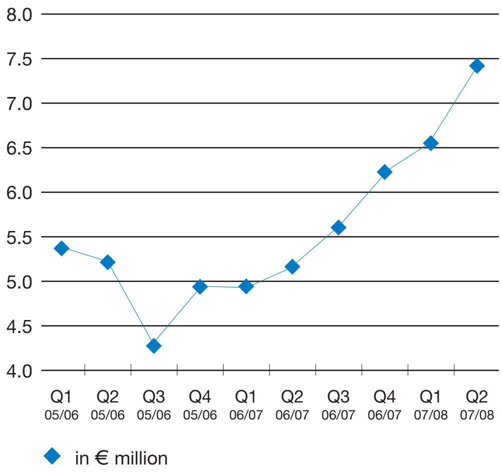
This division's contribution to the operational result (segment contribution) rose by 18.3% to € 2.1 million (previous year: € 1.7 million) which represents a margin of 44.8% (previous year: 52.0%). The disproportionately low rise in the segment contribution resulted from an extraordinary charge on goods sold in the second quarter, worth € 0.4 million.

Lawful Interception & Monitoring Solutions (LIMS)

€ 000	2007/2008 6 months Jul-Dec	2006/2007 6 months Jul-Dec
Revenue	**4,580**	**3,337**
• Growth	37.3%	4.4%
Segment contribution*	**2,053**	**1,736**
• Margin	44.8%	52.0%

* before allocation of central costs

Lawful Interception & Monitoring Solutions (LIMS)
Revenue development
Rolling 12-monthly review



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 the Research and Development division in the current fiscal year lies on completing SafeGuard Enterprise, the new product generation, to produce a comprehensive 360° data security solution. SafeGuard Enterprise is an extendable modular security suite, at the core of which is a central Management Center which not only streamlines the definition, implementation and monitoring of company-wide security guidelines but also contains comprehensive, central key management functionality. Leading industry analysts have confirmed Utimaco's strength of vision with regard to its product strategy for developing SafeGuard Enterprise. Utimaco is once again in the Leaders Quadrant in this year's Gartner study "Magic Quadrant for Mobile Data Protection 2007", and has taken pole position for "Completeness of Vision" in the Magic Quadrant.

Data Protection

SafeGuard Enterprise 5.20 released

Version 5.2, released in the second quarter of 2007/2008, contains in addition to the Device Encryption module two more complementary modules in the new SafeGuard Enterprise product generation. The SafeGuard Data Exchange module encrypts data on exchangeable memory media (USB sticks, CDs, DVDs etc). When used together with SafeGuard Enterprise's intelligent Key Management system, this new module enables data to be exchanged securely on removable storage media, both in-house and as part of communications with external partners who are not running SafeGuard security software.

Using the new SafeGuard Partner Connect module, customers can now manage Microsoft Vista's BitLocker encryption function centrally from the SafeGuard Enterprise Management Center. This allows companies to use BitLocker as well as Utimaco's SafeGuard Device Encryption module for hard disk encryption and to manage both systems from one uniform management center. In heterogenous operating system environments, in particular, this makes achieving all-round client protection quicker and easier than ever before. Utimaco is the first and, so far, the only provider of comprehensive data security solutions whose central security suite also allows the management of Microsoft's hard disk encryption functionality that runs within the operating system itself.

Further additions to the SafeGuard product portfolio

To further round off the SafeGuard product range for 360° data security, two security solutions have been licensed via OEM agreements in the second quarter of 2007/2008. Initially, both solutions will be marketed as independent SafeGuard products and then, in the next step, developed further to integrate them in the SafeGuard Enterprise security suite. The licensed SafeGuard PortProtector security package, prevents data being lost when it passes through interfaces to external memory media and communications interfaces used for wireless connections such as Bluetooth or WLAN. Utimaco's SafeGuard LeakProof security solution brings content awareness functions and data classification capability to the SafeGuard portfolio. These functions prevent data being lost by authorized users. These solutions which protect data from being lost (either deliberately or by mistake) by authorized users allow Utimaco to expand into the new growth market for Data Leakage Prevention software.

New version of SafeGuard LANCrypt 3.5 with extended encryption options

SafeGuard LANCrypt, a workgroup-based security solution for the encryption of files and directories on end devices and in networks, now has a range of extended encryption options that were included in version 3.5, released in the first quarter 2007/2008. This program now ensures that files remain encrypted when they are copied or moved, even if no encryption rules have been defined for the target path or target medium. The encryption mode also applies when encrypted files are written to CDs or DVDs. This effectively prevents sensitive data from being sneaked out of the company without authorization.

New version, SafeGuard Mail Gateway 5.3, improves fail safe security

SafeGuard MailGateway, a security solution for securing an organization's e-mail traffic from a central point, using encryption and digital signatures, now also has a new feature that was introduced in Version 5.3 (released in the first quarter 2007/2008) which allows a number of SafeGuard MailGateways to be combined to form one fail safe cluster. Additionally, using this version, no external database is needed to store key, certificate and policy data.

SafeGuard CryptoServer recertification in accordance with leading US security standard

SafeGuard CryptoServer is a hardware security module that encapsulates cryptographic functions and keys in a secured hardware environment. In the first quarter 2007/2008, its new version, CS (formerly known as CryptoServer 2008) has been awarded FIPS 2000-140 Level 2 security certification by the National Institute of Standards & Technology (NIST) in the US Department of Commerce. For the "Physical Security" criterion it was even awarded the highest level, Level 4. 140-2 FIPS (Federal Information Processing Standard) describes the levels of IT security required by US government bodies for encryption technologies. By being awarded FIPS certification SafeGuard CryptoServer 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.

New application areas for SafeGuard CryptoServer

SafeGuard CryptoServer protects electronic passports

At the request of the Bundesamt für Sicherheit in der Informationstechnik (BSI (German Federal Department for IT Security), in the second quarter 2007/2008, Utimaco has developed a special version of the SafeGuard CryptoServer to protect the new German electronic passports against forgery and misuse. Since the end of 2006, these new passports have become the international standard, in accordance with the specifications of the ICAO (International Civil Aviation Organization). They also store biometric data in the form of fingerprints. SafeGuard CryptoServer is the world's first hardware security module that fully meets all the ICAO guidelines and will in future be used as the central security component for issuing electronic passports in Germany. Furthermore, SafeGuard CryptoServer supports the ICAO-compliant verification of passports at international checkpoints, and is therefore predestined to be used here in future.

SafeGuard CryptoServer also protects data on electronic healthcare cards in Germany

Since the beginning of 2008, SafeGuard CryptoServer has been used as the central security component of the telematics infrastructure for the new electronic healthcare card in Germany. It protects the central broker service for accessing centrally stored healthcare data and is already being used by well-known health insurance companies as part of comprehensive solutions for the secure card personalization.

Lawful Interception & Monitoring Solutions (LIMS)

Extending the LIMS portfolio for Next Generation Networks (NGN)

The first quarter 2007/2008 has seen a further expansion of technological cooperation with OEM partners, in particular, Lawful Interception solutions for Next Generation Networks (NGN). OEM Release 6.0 for Motorola and OEM Release 6.1 for Nokia Siemens Networks meant the release of versions of LIMS, which contained Lawful Interception solutions for the different IP Multimedia Subsystems (IMSs) for important OEM partners. In these releases, the CSCF, SBC or MGW components are used to link the IMS as the central platform for IP-based multimedia applications in fixed networks and mobile telephony networks. In OEM Release 6.2 for our Chinese partner, Huawei, its Lawful Interception interfaces were added to the LIMS portfolio. In addition to the Huawei IMS, Lawful Interception solutions for the most recent Huawei WCDMA/CDMA2000 technologies were also released. This means that connections are already available to 14 different network devices for Huawei.

Expansion of the LIMS system into Internet Access

As a consequence of the new orders involving Internet access resulting from the introduction of TR TKÜ 5.0 (Technical guidelines for describing changes to the requirements for the implementation of legal measures for the monitoring of telecommunications) in Germany, the bandwidth for supported Internet routers was expanded. As a consequence, the Lawful interception Management System now supports numerous internet access servers from leading manufacturers such as Cisco, Juniper, Motorola, Redback and Huawei.

Porting of Utimaco LIMS to Linux

As part of a major customer project, Utimaco's LIMS software has been ported to the license-free Linux operating system. For future applications this adds a further Linux- and AMD/Intel-server-based platform to stand alongside the existing Sun Solaris operating system and the Sun Sparc servers. As a result, Utimaco can now react even more flexibly to different and varied customer requirements and more effectively address the needs of the international marketplace, especially in Asia.

Interim Consolidated Financial Statement (July – December 2007)

Consolidated Profit and Loss Statement due to IFRS

€ 000	2007/2008 Q2 Oct-Dec	2006/2007 Q2 Oct-Dec	2007/2008 6 months Jul-Dec	2006/2007 6 months Jul-Dec
Sales	**18,527**	**14,970**	**29,495**	**26,119**
Cost of sales	-2,792	-1,643	-4,443	-2,677
Gross profit on sales	**15,735**	**13,327**	**25,051**	**23,442**
Sales and marketing costs	-5,999	-5,329	-10,855	-10,100
R&D costs	-2,441	-1,510	-4,614	-2,950
General administrative costs	-1,738	-1,613	-3,210	-3,000
Other operating income/expenditure, net	-40	-167	-12	-142
Result from ordinary operations	**5,516**	**4,709**	**6,360**	**7,250**
Financial result	358	214	601	401
Earnings before taxes	**5,874**	**4,922**	**6,960**	**7,651**
Taxes on income	-1,828	-1,439	-1,993	-1,969
Earnings after taxes	**4,045**	**3,483**	**4,967**	**5,682**
Minority Interests	0	0	0	0
Net income/net loss	**4,045**	**3,483**	**4,967**	**5,682**
Earnings per share according to IAS				
• basic	€ 0,27	€ 0,24	€ 0,34	€ 0,39
• diluted	€ 0,26	€ 0,23	€ 0,32	€ 0,37
Weighted average number of shares				
• basic	14,745,449	14,745,449	14,745,449	14,745,449
• diluted	15,415,666	15,225,449	15,320,558	15,225,449

Interim Consolidated Financial Statement (July – December 2007)

Consolidated Balance Sheet due to IFRS

€ 000	6-months end Dec 31, 2007	Financial year-end June 30, 2007	Appendix
ASSETS			
Short-term assets			
Cash	22,353	22,812	
Securities	3,665	10,313	
Accounts receivable, trade, net	19,613	12,490	
Inventories	2,082	1,155	
Other short-term assets	1,803	929	(1)
Total short-term assets	**49,516**	**47,699**	
Long-term assets			
Long-term financial assets	36	36	
Property, plant and equipment	1,744	1,675	
Intangible assets	9,919	10,756	
Deferred tax claims	1,324	1,082	
Total long-term assets	**13,023**	**13,549**	
Total ASSETS	**62,539**	**61,248**	
EQUITY AND LIABILITIES			
Liabilities			
Short-term liabilities			
Trade payables	2,401	1,893	
Prepayments received	1,024	211	
Other liabilities	3,036	4,177	(2)
Tax accruals	513	1,085	
Accruals	2,088	4,416	(3)
Deferred items	6,703	6,604	
Total short-term liabilities	**15,765**	**18,388**	
Long-term liabilities			
Liabilities due to banks	0	2	
Deferred taxes	1,732	493	
Pension accruals	1,010	1,010	
Deferred items	489	824	
Total long-term liabilities	**3,231**	**2,329**	
Equity			
Share capital	14,745	14,745	(4)
Capital reserves	5,859	5,533	
Other reserves	6,912	6,912	
Adjustment item for foreign currency conversion	-51	20	
Retained earnings	16,078	13,322	
Total shareholders' equity	**43,543**	**40,532**	
Total LIABILITIES	**62,539**	**61,248**	

Interim Consolidated Financial Statement (July – December 2007)

Consolidated Cash Flow Statement due to IFRS

€ 000	**2007/2008 Q2 Oct-Dec**	2006/2007 Q2 Oct-Dec	**2007/2008 6 months Jul-Dec**	2006/2007 6 months Jul-Dec
Cash flow from operating activities				
Net result before taxes	**5,874**	**4,922**	**6,960**	**7,651**
• Depreciations on property, plant and equipment and intangible assets	669	580	1,335	823
• Depreciations on financial assets	2	2	4	3
• Change in other not-cash items	257	-6	256	-25
• Elimination of earnings and expenditure from cash deposits and financial instruments	-360	-149	-605	-272
• Changes in inventories, receivables, other assets and active deferred income	-8,696	-5,666	-8,208	-5,429
• Changes in liabilities, short term accruals and deferred items	522	592	-2,385	-298
• Tax payments	-412	-83	-2,366	-156
Cash flow from operating activities	**-2,146**	**191**	**-5,008**	**2,297**
Cash flow from investment activities				
• Investments in property, plant and equipment and intangible assets	-390	-1,859	-567	-2,840
• Interest receipts	362	231	691	377
• Change in financial assets	854	9,026	6,645	9,026
• Change in scope of consolidation minus liquid assets		-86		-86
Cash flow from investment activities	**827**	**7,311**	**6,768**	**6,476**
Cash flow from financing activities				
• Dividend payments	-2,212	-2,212	-2,212	-2,212
• Changes in obligations to banks	0	-5	-2	-74
• Interest payments	-2	-17	-5	-19
Cash flow from financial activities	**-2,214**	**-2,234**	**-2,218**	**-2,305**
Increase/decrease in cash*	-3,533	5,268	-458	6,468
Cash at the beginning of the period	25,886	17,573	22,812	16,373
Cash at the end of the period	**22,353**	**22,841**	**22,353**	**22,841**

*Quickly liquidatable securities are no longer reported as cash equivalents.
Relevant values have been adjusted.

Interim Consolidated Financial Statement (July – December 2007)

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
Balance as of 30th June 2003	**6,227,243**	**6,227**	**27,839**	**0**	**208**	**-27,972**	**6,303**
Capital increase as of 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 option	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
Balance as of 30th June 2004	**13,996,914**	**13,997**	**31,373**	**0**	**211**	**-24,855**	**20,725**
Capital increase by exercising option	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
Balance as of 30th June 2005	**14,726,064**	**14,726**	**4,906**	**0**	**184**	**8,139**	**27,955**
Capital increase by exercising option	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
Balance as of 30th June 2006	**14,745,449**	**14,745**	**5,032**	**2,317**	**30**	**13,851**	**35,976**
Equity ratio from warranty bond			501				501
Dividend payment						-2,212	-2,212
Annual net profit				4,595		1,683	6,278
Adjustment items for foreign currency conversion					-11		-11
Balance as of 30th June 2007	**14,745,449**	**14,745**	**5,533**	**6,912**	**20**	**13,322**	**40,532**
Equity ratio from warranty bond			326				326
Dividend payment						-2,212	-2,212
Annual net profit						4,967	4,967
Adjustment items for foreign currency conversion					-71		-71
Balance as of 31st December 2007	**14,745,449**	**14,745**	**5,859**	**6,912**	**-51**	**16,078**	**43,543**

Supplement to the Consolidated Financial Statement

Basis and Methods for Accounting Principles

The unaudited abbreviated consolidated financial statement was created in Euros in accordance with the International Financial Reporting Standards (IFRS). The consolidated financial statement shows no changes in the statutory accounting principles and methods when compared to the consolidated annual report of the fiscal year 2006/2007, completed on 30th June 2007.

Independently we hereby wish to draw your attention to the fact that the development costs totalling € 7.7 million, for the new SafeGuard Enterprise product generation, arising in the previous reporting years 2004/2005, 2005/2006 and 2006/2007, have been capitalized in accordance with IAS 38, with a positive effect on earnings in these periods. The base functionality of the new product suite was completed in March 2007 and the product was released for sale, so the amortization of capitalized development costs began from this point in time.

The consolidated financial statement includes Utimaco Safeware AG and all subsidiaries, and uses the full consolidation method.

Various information and Supplement details that are usually included in a consolidated annual report that has been created in accordance with IFRS have been presented in abbreviated form, or omitted. We are nevertheless of the opinion that the Supplement details provided are suitable for giving an accurate impression of the actual conditions.

Summarized notes for the consolidated balance sheet and consolidated profit and loss statement

(1) Other short-term assets

€ 000	Dec. 31, 2007	June 30, 2007
Accrued items	621	503
Taxes	1,061	263
Accounts receivable from employees	32	18
Deposits	69	33
Debit-side creditors	5	10
Interest receivable	3	90
Miscellaneous	12	12
	1,803	**929**

(2) Other liabilities

€ 000	Dec. 31, 2007	June 30, 2007
Employee remuneration	1,224	2,294
Revenue and other taxes	1,218	781
Income and church tax	319	300
Social security contributions	177	133
Miscellaneous	98	669
	3,036	**4,177**

(3) Provisions

€ 000	Dec. 31, 2007	June 30, 2007
Vacation not yet taken	767	734
Other HR provisions	200	2.415
Rights to claim	34	34
Miscellaneous	1,087	1,233
	2,088	**4,416**

The provisions contained in the Other HR provisions, for the 3-Years Bonus Program (30th June, 2007: € 2.171 million) were completely paid out in the first half year and had a zero balance on the 31st December 2007.

(4) Equity

On the 31st December 2007 the subscribed capital equaled € 14,745,449.00 (on the 30th June 2007: € 14,745,449.00). By a resolution passed in the shareholders' meeting on 27th November 2007 the capital stock of the company was increased, subject to a contingency, by € 500,000.00, split into 500,000 owner shares. The new restricted Capital 2007/I for the fulfillment of obligations arising from an option program was registered on the 5th December 2007.

(5) Segment reporting

Now that the former Personal Device Security segment has been strategically aligned towards offering a comprehensive 360° data security solution, segmental reporting has been adjusted accordingly from the 1st quarter of fiscal year 2007/2008. The new division, Data Protection, now also comprises the SafeGuard MailGateway and SafeGuard CryptoServer products (previously reported in the former Transaction Security division), in addition to the existing SafeGuard software products and complementary products from other suppliers such as smartcard readers. The previous year's values have been adjusted accordingly, for the purpose of comparison.

The Transaction Security was renamed as the Lawful Interception & Monitoring Solutions (LIMS) division. It develops solutions for the legally-compliant monitoring of telecommunications services of all kinds.

Utimaco is now organized in the following two divisions (segments):

- Data Protection
- Lawful Interception & Monitoring Solutions (LIMS)

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

Segment Result 2nd Quarter

€ 000	Data Protection 2007/08 Oct-Dec	Data Protection 2006/07 Oct-Dec	Lawful Interception & Monitoring Solutions 2007/08 Oct-Dec	Lawful Interception & Monitoring Solutions 2006/07 Oct-Dec	Elimination/ General 2007/08 Oct-Dec	Elimination/ General 2006/07 Oct-Dec	Total 2007/08 Oct-Dec	Total 2006/07 Oct-Dec
External revenue	**15,723**	**13,065**	**2,804**	**1,905**	**0**	**0**	**18,527**	**14,970**
Revenues between segments	0	0	0	0	0	0	0	0
Total revenues	**15,723**	**13,065**	**2,804**	**1,905**	**0**	**0**	**18,527**	**14,970**
Cost of material	-610	-476	-960	-195	-6	11	-1,577	-660
Amortizations	-552	-454	-12	-43	-107	-81	-671	-578
Operating costs	-8,290	-7,959	-729	-504	-1,704	-1,496	-10,723	-9,959
SW capitalization	0	1,102	0	0	0	0	0	1,102
Segment contribution	**6,270**	**5,278**	**1,103**	**1,164**	**-1,817**	**-1,566**	**5,556**	**4,875**
Other operating income/ expenditure, net							-40	-167
Result from ordinary operations							**5,516**	**4,709**

Segment Result 6 months

€ 000	Data Protection 2007/08 Jul-Dec	Data Protection 2006/07 Jul-Dec	Lawful Interception & Monitoring Solutions 2007/08 Jul-Dec	Lawful Interception & Monitoring Solutions 2006/07 Jul-Dec	Elimination/ General 2007/08 Jul-Dec	Elimination/ General 2006/07 Jul-Dec	Total 2007/08 Jul-Dec	Total 2006/07 Jul-Dec
External revenue	**24,914**	**22,782**	**4,580**	**3,337**	**0**	**0**	**29,495**	**26,119**
Revenues between segments	0	0	0	0	0	0	0	0
Total revenues	**24,914**	**22,782**	**4,580**	**3,337**	**0**	**0**	**29,495**	**26,119**
Cost of material	-936	-654	-1,155	-477	0	-7	-2,091	-1,138
Amortizations	-1,102	-581	-27	-86	-211	-154	-1,340	-822
Operating costs	-15,426	-14,786	-1,345	-1,038	-2,920	-2,754	-19,691	-18,578
SW capitalization	0	1,811	0	0	0	0	0	1,811
Segment contribution	**7,450**	**8,571**	**2,053**	**1,736**	**-3,131**	**-2,915**	**6,372**	**7,392**
Other operating income/ expenditure, net							-12	-142
Result from ordinary operations							**6,360**	**7,250**

Declaration of the Management Board

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group 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 remaining months of the fiscal year.

Dipl.-Phys. Martin Wülfert
Chief Executive Officer

Dipl.-Wirtsch.-Ing. Christian Bohne
Chief Financial Officer