

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="font-size: 24pt; font-weight: bold;">2009</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>SAFENET, INC. 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1991</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1991</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1991</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>SAFENET, INC.</u> <u>4690 MILLENNIUM DRIVE</u> <u>BELCAMP, MD 21017</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>52-1287752</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>410-931-7500</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>334110</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>52-1287752</u>	2c Sponsor's telephone number <u>410-931-7500</u>	2d Business code (see instructions) <u>334110</u>	
2b Employer Identification Number (EIN) <u>52-1287752</u>					
2c Sponsor's telephone number <u>410-931-7500</u>					
2d Business code (see instructions) <u>334110</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/07/2010	DIANE L. SMITH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/07/2010	DIANE L. SMITH
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") SAFENET, INC. 4690 MILLENNIUM DRIVE BELCAMP, MD 21017	3b Administrator's EIN 52-1287752 3c Administrator's telephone number 410-931-7500
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	636
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	705
b Retired or separated participants receiving benefits.....	6b	3
c Other retired or separated participants entitled to future benefits.....	6c	319
d Subtotal. Add lines 6a , 6b , and 6c	6d	1027
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	1027
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	861
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	69

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan SAFENET, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 SAFENET, INC.	D Employer Identification Number (EIN) 52-1287752	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
BANK OF AMERICA, N.A.
94-1687665

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MERRILL LYNCH, PIERCE, FENNER AND S

13-5674085

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 52 56 59 60 62 63 72	RECORDKEEPER	4743	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	MCGLADREY & PULLEN, LLP	b EIN:	42-0714325
c Position:	AUDITOR		
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>		
A Name of plan <u>SAFENET, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SAFENET, INC.</u>	D Employer Identification Number (EIN) <u>52-1287752</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	18435	13416
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)	150154	482948
	(9) Value of interest in common/collective trusts.....	1c(9)	2132226	4910460
	(10) Value of interest in pooled separate accounts.....	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	15463376	40760660
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	17764191	46167484

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	17764191	46167484
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	665350	
(B) Participants	2a(1)(B)	3957780	
(C) Others (including rollovers)	2a(1)(C)	91066	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		4714196
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	28	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	13700	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		13728
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	497219	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		497219
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		32094
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		6135623
c Other income.....	2c		9005
d Total income. Add all income amounts in column (b) and enter total.....	2d		11401865

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2319965	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		2319965
f Corrective distributions (see instructions)	2f		208
g Certain deemed distributions of participant loans (see instructions).....	2g		33680
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	5717	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		5717
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2359570

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		9042295
l Transfers of assets:			
(1) To this plan.....	2l(1)		19360998
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: CLIFTON GUNDERSON

(2) EIN: 37-0802863

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		3000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	X		

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>SAFENET, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SAFENET, INC.</u>	D Employer Identification Number (EIN) <u>52-1287752</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>22-3513863</u> <u>94-1687665</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

SAFENET, INC. 401(k) PLAN
Belcamp, Maryland

FINANCIAL STATEMENTS
December 31, 2009 and 2008

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS.....	2
Statement of Net Assets Available for Benefits.....	3
Statement of Changes in Net Assets Available for Benefits.....	4
Notes to Financial Statements	5
SUPPLEMENTAL SCHEDULES	14
Form 5500 – Schedule H – Line 4i	
Schedule of Assets (Held at End of Year)	15

Independent Auditor's Report

Plan Participants and Trustees
SafeNet, Inc. 401(k) Plan
Belcamp, Maryland

We were engaged to audit the accompanying statement of net assets available for benefits of the SafeNet, Inc. 401(k) Plan (the Plan) as of December 31, 2009, and the related statement of changes in net assets available for benefits for the year then ended and the supplemental Schedule of Assets (Held at End of Year), as noted in the table of contents. These financial statements and the supplemental schedule are the responsibility of the Plan's management. The financial statements of the Plan as of and for the year ended December 31, 2008 were audited by other auditors whose report dated July 28, 2009 disclaimed an opinion on those financial statements as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulation for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"). The plan administrator instructed the other auditor not to perform, and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report, dated July 28, 2009, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements, other than that derived from the information certified by the Trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Bank of America (formerly Merrill Lynch Bank & Trust, Co., FSB), the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from Bank of America (formerly Merrill Lynch Bank & Trust Co., FSB) as of and for the year ended December 31, 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information in the Plan's 2009 financial statements and supplemental schedule that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Clifton Gunderson LLP

Baltimore, Maryland
September 16, 2010

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Offices in 17 states and Washington, DC



FINANCIAL STATEMENTS

SAFENET, INC. 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash	\$ 13,076	\$ 18,435
Investments		
Investments, at fair value	45,671,121	17,595,602
Participant loans	482,948	150,154
Total investments	<u>46,154,069</u>	<u>17,745,756</u>
Receivables		
Employer contributions	1,569,189	585,777
Investment income	340	-
Total receivables	<u>1,569,529</u>	<u>585,777</u>
Net assets available for benefits at fair value	47,736,674	18,349,968
Adjustments from fair value to contract value for interest in Common/Collective Trust relating to fully benefit-responsive investment contracts	<u>358,274</u>	<u>344,227</u>
TOTAL NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 48,094,948</u>	<u>\$ 18,694,195</u>

The accompanying notes are an integral part of the financial statements.

SAFENET, INC. 401(k) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Additions to net assets attributed to:		
Investment income (loss):		
Interest and dividends	\$ 557,824	\$ 9,604
Net appreciation (depreciation) of investments	6,202,625	(7,907,806)
Other	7,297	14,110
Total investment income (loss)	<u>6,767,746</u>	<u>(7,884,092)</u>
Contributions:		
Participant	3,957,780	2,485,951
Employer	1,648,762	583,270
Rollover	91,066	71,702
Total contributions	<u>5,697,608</u>	<u>3,140,923</u>
Total additions, net of investment loss	<u>12,465,354</u>	<u>(4,743,169)</u>
Deductions from net assets attributed to:		
Benefits paid to participants	2,420,855	1,501,421
Administrative expenses	4,744	3,044
Total deductions	<u>2,425,599</u>	<u>1,504,465</u>
Transfer of net assets from merged plans into the Safenet, Inc. 401(k) Plan	<u>19,360,998</u>	<u>3,743,889</u>
Net increase (decrease) in net assets available for benefits	29,400,753	(2,503,745)
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	<u>18,694,195</u>	<u>21,197,940</u>
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u>\$ 48,094,948</u>	<u>\$ 18,694,195</u>

The accompanying notes are an integral part of the financial statements.

SAFENET, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 1 – PLAN DESCRIPTION AND SIGNIFICANT ACCOUNTING POLICIES

Plan Description

The following description of the SafeNet, Inc. 401(k) Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

General

The Plan is a defined contribution plan covering substantially all full-time employees of SafeNet, Inc. (the Company) who have at least three months of service. The Company has designated the first day of each month as the entry dates for the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

In early 2009, the Board of Directors of Vector Capital, the controlling party of the Company, approved the merger of AKSI 401(k) Plan and Mykotronx, Inc. 401(k) Profit Sharing Plan into the Plan, effective June 1, 2009. At this time all eligible employees of Mykotronx, Inc. (Myko) and AKSI (Aladdin) were allowed to participate in the Plan. Investments in mutual funds and participant loans totaling \$19,360,998 were transferred from the merging plans into the Plan on September 30, 2009.

During 2008, the net assets of participants of the Ingrian Networks, Inc. Salary Deferred Plan were merged into the Plan, as outlined in the amendments to the Plan. Assets transferred into the Plan totaled \$3,743,889 for the year ended December 31, 2008.

Contributions

Each year, participants may contribute an amount up to 100% of pre-tax annual compensation, as defined by the Plan subject to the maximum allowable contributions under the Internal Revenue Code (IRC). Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. Effective June 1, 2009, employees who are hired after that date will automatically be enrolled at an amount equal to 2% of their compensation.

The plan sponsor may make a matching contribution to the Plan equal to a percentage of the participant's contribution which the Company will determine each year. The matching contributions received by each participant varied by employer and are detailed below:

- SafeNet, Inc. – The match is discretionarily determined each year. For 2009, the employer match was equal to 100% of compensation contributed by a participant, up to a maximum of 3% of the participant's compensation. For 2008, the Company made a matching contribution of an amount equal to 100% of compensation contributed by a participant, up to a maximum of 2% of the participant's compensation.
- Aladdin – The match is equal to 50% of participant deferrals on the first 6% of eligible compensation from June 1, 2009 through March 24, 2010. After March 24, 2010, Aladdin employees will receive the same match as SafeNet, Inc. employees.
- Myko – An amount equal to 50% of participant deferrals up to \$6,000.

The Company may also make safe harbor matches and discretionary profit sharing contributions as determined annually at the discretion of the Board of Directors.

SAFENET, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 1 – PLAN DESCRIPTION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

During 2009 and 2008, employer matching contributions totaled \$1,648,762 and \$583,270, respectively. No profit sharing contributions were made to the Plan in 2009 and 2008.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocation of (a) the Company's contribution and (b) Plan earnings (losses), and charged with an allocation of administrative expenses. Allocations are made pursuant to the Plan provisions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participant Loans

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the plan administrator. Principal and interest are paid ratably through payroll deductions. Interest rates ranged from 4.25% - 10.00% during 2009 and 2008.

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Prior to June 1, 2009, the portion of their account representing the employer matching and discretionary contributions and earning thereon will vest as follows:

<u>Years of Service</u>	<u>Percentage Vested</u>
Less than 1	0 %
1	20 %
2	40 %
3	60 %
4	80 %
5 or more	100 %

Effective June 1, 2009, the vesting schedule was updated to the following:

<u>Years of Service</u>	<u>Percentage Vested</u>
Less than 1	0 %
1	25 %
2	50 %
3	75 %
4 or more	100 %

SAFENET, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 1 – PLAN DESCRIPTION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Aladdin employees and Myko employees shall be 100% vested in amounts credited to his company contributions and earnings thereon. Any active participant in the Ingrian Networks Incorporated Salary Deferral Plan as of May 1, 2008 also became 100% vested in amounts credited to his company contributions and earnings thereon. Any active participant in the Rainbow Technologies Inc. 401(k) Plan as of April 30, 2006 shall be 100% vested in amounts credited to his company contributions and earnings thereon.

Payment of Benefits

On termination of service due to death, disability or retirement, a participant with a vested balance of less than \$5,000 will receive a lump sum distribution. Participants who have balances greater than \$5,000 may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a term to be determined based on life expectancy. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. The Plan also allows for in-service withdrawals for hardships and participants who have reached the normal retirement age of 59 ½ year old. Prior to May 1, 2008, participants could have elected annual installments based on life expectancy; however, this was rescinded at this date, and participants may only receive a lump-sum payment. Plan assets allocated to the accounts of persons who have terminated with the Company, but have not withdrawn from the Plan approximates \$12,500,992 and \$6,989,152 at December 31, 2009 and 2008, respectively.

Forfeited Accounts

At December 31, 2009 and 2008, forfeited non-vested accounts totaled \$87,360 and \$5,559, respectively. These accounts may be used first to pay administrative expenses and second to be used towards employer contributions. Any amounts remaining will be allocated to participants. There were no forfeitures used in 2009 or 2008.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Presentation

The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

SAFENET, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

As described in ASC 962-325-35 *Plan Accounting - Defined Contribution Plan*, investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through a collective trust. Contract value for this collective trust is based on the net asset value of the fund as reported by the investment advisor. As required by the FSP, the statements of net assets available for benefits presents the fair value of the investment in the collective trust as well as the adjustment of the investment in the collective trust from fair value to contract value relating to the investment contracts.

Administrative Expenses

During the years ended December 31, 2009 and 2008, certain administrative expenses of the Plan were voluntarily paid by the Employer.

Benefit Payments

Benefit payments are recorded as reductions in Plan assets when they have been paid.

New Accounting Pronouncements

In July 2009, the Financial Accounting Standards Board (FASB) issued the *Accounting Standards Codification* (ASC). The ASC replaced the hierarchy of *Generally Accepted Accounting Principles*, and establishes the Codification as the single source of authoritative US GAAP for interim and annual periods ending after September 15, 2009. The Codification supersedes all existing non-SEC standards. There was no impact on the financial statements.

In May 2009, the FASB issued SFAS No. 165, *Subsequent Events* (FASB ASC 855-10). It is intended to establish general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It is effective for financial periods ending after June 15, 2009. The adoption did not have a material impact on the Plan's financial statements.

SAFENET, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 3 – CERTIFIED INFORMATION PROVIDED BY THE PLAN TRUSTEE

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the custodian (Bank of America formerly Merrill Lynch Bank & Trust Co., FSB) has certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate:

- a. Total cash and investments as shown in the accompanying Statements of Net Assets Available for Benefits of \$46,167,145 and \$17,764,191 as of December 31, 2009 and 2008, respectively.
- b. Net investment income (loss) as shown in the accompanying Statements of Changes in Net Assets Available for Benefits of \$6,767,746 and \$(7,884,092) for the years ended December 31, 2009 and 2008, respectively.

The fair value of participant investments that represent 5% or more of the Plan's net assets at December 31, 2009 and 2008 are:

	<u>2009</u>	<u>2008</u>
* Merrill Lynch Bank & Trust Co., FSB:		
Merrill Lynch Retirement Preservative Trust	\$ 4,910,460	\$ 2,132,226
Blackrock Large Cap Value Fund A	**	2,130,440
Van Kampen Equity & Income Fund A	**	1,746,562
American Growth Fund of America R3	3,123,942	1,361,894
Blackrock S&P 500 Index Fund	2,662,255	1,295,874
IVY Asset Strategy Fund CL Y	**	1,202,847
Hartford Capital Appreciation Fund CL R4	3,661,459	1,070,749
Loomis Sayles Investment Grade Bond Fund A	N/A	967,187
Thornburg International Value Fund	3,060,299	**
PIMCO Funds Total Return Fund CL A	3,522,606	**
Oppenheimer Developing Markets Fund CL A	2,474,350	**
The Oakmark EQ & INC FD CL II	3,945,989	N/A
Putnam Equity Income FD CL A	4,147,887	N/A

* Party-in-interest investment.

** Investment is less than 5% of Plan assets in the indicated year.

N/A – The Plan did not hold any assets in these investments in the year indicated.

NOTE 4 – INVESTMENTS, FAIR VALUE MEASUREMENTS

ASC 820-10 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10 are described as follows:

SAFENET, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 4 – INVESTMENTS, FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liabilities.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the plan at year-end as quoted in active markets.

Common/Collective Trusts: Valued at the net asset value of units of the fund held by the Plan based on the fair value of the underlying investments of the fund.

Participant Loans: Valued at amortized cost, which approximates fair value.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

SAFENET, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 4 – INVESTMENTS, FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by the level, within the ASC 820-10 fair value hierarchy, the Plan's assets at fair value as of December 31, 2009 and 2008:

December 31, 2009				
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Growth	\$ 14,786,602	\$ -	\$ -	\$ 14,786,602
Value	6,542,377	-	-	6,542,377
Fixed income	3,751,841	-	-	3,751,841
Mid-cap	4,385,772	-	-	4,385,772
Global	8,590,787	-	-	8,590,787
Technology	653,825	-	-	653,825
Index	105,234	-	-	105,234
Small Cap	658,556	-	-	658,556
Lifestyle	1,285,667	-	-	1,285,667
Total Mutual Funds	40,760,661	-	-	40,760,661
Common/Collective Trust	-	4,910,460	-	4,910,460
Participant Loans	-	-	482,948	482,948
Total Investments at Fair Value	\$ 40,760,661	\$ 4,910,460	\$ 482,948	\$ 46,154,069

December 31, 2008				
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Growth	\$ 4,794,827	\$ -	\$ -	\$ 4,794,827
Value	4,468,322	-	-	4,468,322
Fixed income	1,700,044	-	-	1,700,044
Mid-cap	1,627,871	-	-	1,627,871
Global	2,259,172	-	-	2,259,172
Technology	129,498	-	-	129,498
Lifestyle	483,642	-	-	483,642
Total Mutual Funds	15,463,376	-	-	15,463,376
Common/Collective Trust	-	2,132,226	-	2,132,226
Participant Loans	-	-	150,154	150,154
Total Investments at Fair Value	\$ 15,463,376	\$ 2,132,226	\$ 150,154	\$ 17,745,756

SAFENET, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 4 – INVESTMENTS, FAIR VALUE MEASUREMENTS (CONTINUED)

The table below sets forth a summary of changes in fair value of the Plan's Level 3 assets for the year ended December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Beginning balance	\$ 150,154	\$ 90,801
Purchases, sales, issuances and settlements, net	<u>332,794</u>	<u>59,353</u>
Ending balance	<u>\$ 482,948</u>	<u>\$ 150,154</u>

NOTE 5 – RELATED PARTY TRANSACTION

Certain Plan investments are shares of Mutual Funds and Common/Collective Trusts, and are managed by Merrill Lynch Bank & Trust Co., FSB (Merrill Lynch). Merrill Lynch is the trustee as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions. Certain executives of the Company are participants in the Plan and therefore are related parties.

NOTE 6 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions and earnings thereon. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner as the Company may determine.

NOTE 7 – TAX STATUS

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated March 25, 2004, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination. However, the Plan's administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

SAFENET, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 8 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2009 and 2008 to Form 5500:

	<u>2009</u>	<u>2008</u>
Net Assets Available for Benefits per the financial statements	\$ 48,094,948	\$ 18,694,195
Less current year Employer Contribution Receivable	(1,569,189)	(585,777)
Less prior year adjustment from contract value to fair value for interest in Common/Collective Trust relating to fully benefit-responsive investment contracts	(358,274)	(344,227)
Rounding	(1)	-
Total	<u><u>\$ 46,167,484</u></u>	<u><u>\$ 17,764,191</u></u>

The following is a reconciliation of changes in net assets per the financial statements for the years ended December 31, 2009 and 2008 to Form 5500:

	<u>2009</u>	<u>2008</u>
Change in Net Assets per the financial statements	\$ 29,400,753	\$ (2,503,745)
Less current year Contributions Receivable	(1,569,189)	(585,777)
Less current year adjustment from contract value to fair value for interest in Common/Collective Trust relating to fully benefit-responsive investment contracts	(358,274)	(344,227)
Add prior year adjustment from contract value to fair value for interest in Common/Collective Trust relating to fully benefit-responsive	344,227	-
Add prior year contributions receivable	585,777	618,104
Rounding	(1)	-
Total	<u><u>\$ 28,403,293</u></u>	<u><u>\$ (2,815,645)</u></u>

NOTE 9 – RISK AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits.

NOTE 10 – SUBSEQUENT EVENT

Management evaluated subsequent events through September 16, 2010, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2009, but prior to September 16, 2010 that provided additional evidence about conditions that existed at December 31, 2009, have been recognized in the financial statements for the year ended December 31, 2009. Events or transactions that provided evidence about conditions that did not exist at December 31, 2009 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended December 31, 2009.

This information is an integral part of the financial statements.

SUPPLEMENTAL SCHEDULE

SAFENET, INC. 401(k) PLAN
FORM 5500 – SCHEDULE H – LINE 4i
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EIN 52-1287752, PLAN # 001
December 31, 2009

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lesser, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost **	Current Value
*	Merrill Lynch Bank & Trust Co. FSB	Cash		\$ 13,076
*	Merrill Lynch Retirement Preservation Trust	Common Collective Trust		4,910,460
	The Oakmark EQ & Inc FD CL II	Mutual Funds		3,945,989
	Blackrock Large Cap Value Fund A	Mutual Funds		1
	Janus Overseas FD CL A	Mutual Funds		292,469
	Van Kampen Equity & Income Fund A	Mutual Funds		3
	American Growth Fund of America R3	Mutual Funds		3,123,942
	IVY MidCap Growth Fund CL Y	Mutual Funds		1,504,143
	Fidelity Adv Frdm 2010 FD CL T	Mutual Funds		34,307
	Fidelity Adv Frdm 2020 FD CL T	Mutual Funds		164,462
	Fidelity Adv Frdm 2030 FD CL T	Mutual Funds		153,860
	Fidelity Adv Frdm 2040 FD T	Mutual Funds		389,651
	Fidelity Adv Frdm 2015 FD CL T	Mutual Funds		289,471
	Fidelity Adv Frdm 2025 FD CL T	Mutual Funds		98,451
	Fidelity Adv Frdm 2035 FD CL T	Mutual Funds		155,464
	Columbia US Treasury CL A	Mutual Funds		105,234
	Hartford Capital Appreciation Fund CL R4	Mutual Funds		3,661,459
	Van Eck Global Hard Assets	Mutual Funds		341,920
	IVY Global Natural Res FD CL A	Mutual Funds		1,154,688
	PIMCO Total Return Fund CL A	Mutual Funds		3,522,606
	Blackrock S&P 500 Index Fund	Mutual Funds		2,662,255
	Allianz NFJ Small Cap Value CL A	Mutual Funds		957,212
	Franklin Mutual Fund	Mutual Funds		134,880
	Main stay High Yld Corp Bd Fd	Mutual Funds		72,992
	Fidelity Adv Small Cap Fd Cl T	Mutual Funds		658,556
	AIM Mid Cap Core Equity Fund A	Mutual Funds		219,373
	MFS Utilities Fund CL A	Mutual Funds		16,014
	Putnam Equity Income FD CL A	Mutual Funds		4,147,887
	Thornburg International Value Fund A	Mutual Funds		3,060,299
	IVY Asset Strategy Fund CL Y	Mutual Funds		2,255,361
	Oppenheimer Developing Markets Fund CL A	Mutual Funds		2,474,350
	Goldman Sachs Mid Cap Value Fund A	Mutual Funds		1,286,380
	Oppenheimer International Bond Fund CL A	Mutual Funds		1,010,475
	AIM Asia Pacific Growth Fund A	Mutual Funds		1,580,862

Continued on Next Page

SAFENET, INC. 401(k) PLAN
FORM 5500 – SCHEDULE H – LINE 4i
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EIN 52-1287752, PLAN # 001
December 31, 2009
(Continued)

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lesser, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost **	Current Value
	Lord Abbett Total Return Fund CL P	Mutual Funds		\$ 156,243
	ING Global Real Estate Fund CL A	Mutual Funds		475,576
	Jennison Health Sciences Fund	Mutual Funds		262,167
	Seligman Communications & Information Fund CL A	Mutual Funds		391,659
*	Participant loans	Interest rates of 4.25% - 9.25% with maturity dates ranging from 2010 to 2015.		<u>482,948</u>
	Total assets			<u>\$ 46,167,145</u>

* Indicates a party-in-interest.

** Cost is not required for participant directed investments.

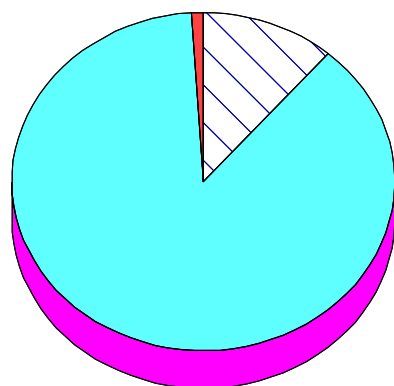
REVALUED STATEMENT OF ASSETS

FOR THE PERIOD 01/01/2009 - 12/31/2009

SAFENET, INC. 401(K) PLAN

CONSOLIDATION

ALLOCATION OF PLAN ASSETS



COMMON / COLLECTIVE TRUSTS

LOANS

MUTUAL FUNDS

PENDING SETTLEMENT FUNDS

Investment Category	Shares/Units	Price/NAV	Cost/Book Value	Market Value	Difference
<u>COMMON / COLLECTIVE TRUSTS</u>					
ML RET PRESERVATION TRUST	5,268,734.2700	1.000	5,268,734.27	5,268,734.27	0.00
<u>MUTUAL FUNDS</u>					
BLACKROCK GLBL FIN SER A	0.0000	7.380	0.01	0.00	(0.01)
THE OAKMARK EQ & INC FD CL II	155,170.6386	25.430	3,829,065.54	3,945,989.34	116,923.80
BLACKROCK LG CAP VALUE A	0.0711	13.330	-40,607.90	0.95	40,608.85
MUNDER MIDCAP CORE GROWTH	0.0177	22.280	0.45	0.39	(0.06)
JANUS OVERSEAS FD CL A	6,883.2358	42.490	224,202.86	292,468.69	68,265.83
AMERICAN GROWTH FD OF AMER R3	116,002.3005	26.930	2,534,876.41	3,123,941.95	589,065.54
LORD ABBETT TOTAL RETURN CL P	14,453.6014	10.810	155,048.11	156,243.43	1,195.32
IVY MID CAP GROWTH FUND CL Y	111,915.4384	13.440	1,405,171.18	1,504,143.49	98,972.31
JENNISON HEALTH SCIENCES FD CL	13,335.0558	19.660	232,685.08	262,167.20	29,482.12



REVALUED STATEMENT OF ASSETS

SAFENET, INC. 401(K) PLAN

Page 18

FOR THE PERIOD 01/01/2009 - 12/31/2009

CONSOLIDATION

Investment Category	Shares/Units	Price/NAV	Cost/Book Value	Market Value	Difference
FIDELITY ADV FRDM 2010 FD CL T	3,270.4843	10.490	28,301.33	34,307.38	6,006.05
FIDELITY ADV FRDM 2020 FD CL T	15,228.0050	10.800	137,472.78	164,462.45	26,989.67
FIDELITY ADV FRDM 2030 FD CL T	14,233.1501	10.810	147,417.71	153,860.35	6,442.64
FIDELITY ADV FRDM 2040 FD T	35,846.4603	10.870	321,458.28	389,651.02	68,192.74
IVY ASSET STRATEGY FD CL Y	101,046.6547	22.320	1,933,017.51	2,255,361.33	322,343.82
ING GLOBAL REAL ESTATE FD CL A	32,418.2182	14.670	421,161.44	475,575.26	54,413.82
FIDELITY ADV FRDM 2015 FD CL T	27,700.5554	10.450	236,160.97	289,470.80	53,309.83
FIDELITY ADV FRDM 2025 FD CL T	9,493.8021	10.370	88,143.04	98,450.73	10,307.69
FIDELITY ADV FRDM 2035 FD CL T	15,286.4841	10.170	134,392.84	155,463.54	21,070.70
COLUMBIA US TREASURY CL A	9,497.6805	11.080	107,559.95	105,234.30	(2,325.65)
JANUS ADVISER INTERNATIONAL GR	0.0000	31.990	1.79	0.00	(1.79)
HARTFORD CAPITAL CL R4	111,595.8194	32.810	3,043,910.30	3,661,458.83	617,548.53
ALLIANCEBERNSTEIN INT GRWTH A	0.0000	14.080	0.01	0.00	(0.01)
VAN ECK GLOBAL HARD ASSETS	8,355.8109	40.920	321,187.13	341,919.78	20,732.65
OPPENHEIMER INTL BD FD CL A	157,886.7357	6.400	953,733.71	1,010,475.11	56,741.40
OPPENHEIMER DEV MKTS FD CL A	86,034.4310	28.760	1,862,388.28	2,474,350.24	611,961.96
IVY GLBL NATURAL RES FD CL A	62,449.2974	18.490	890,623.14	1,154,687.51	264,064.37
LOOMIS SAYLES INVT GRADE A	0.0000	11.680	-10,645.83	0.00	10,645.83
PIMCO TOTAL RETURN FUND CL A	326,167.1771	10.800	3,420,239.48	3,522,605.51	102,366.03
BLACKROCK S&P500 INDEX I	195,323.2038	13.630	2,289,088.77	2,662,255.27	373,166.50
ALLIANZ NFJ SM-CAP VALUE CL A	41,276.9505	23.190	796,196.85	957,212.48	161,015.63
MUNDER SMALL CAP VALUE CL A	0.0000	15.810	0.01	0.00	(0.01)
JENNISON SMALL COMPANY FD CL A	0.0000	16.160	0.01	0.00	(0.01)

REVALUED STATEMENT OF ASSETS

SAFENET, INC. 401(K) PLAN

Page 19

FOR THE PERIOD 01/01/2009 - 12/31/2009

CONSOLIDATION

Investment Category	Shares/Units	Price/NAV	Cost/Book Value	Market Value	Difference
FRANKLIN MUTUAL FINCL	11,156.3026	12.090	131,052.20	134,879.70	3,827.50
GOLDMAN SACHS MID CAP VAL A	44,388.5589	28.980	1,106,934.71	1,286,380.44	179,445.73
AIM ASIA PACIFIC GROWTH FUND A	66,394.8605	23.810	1,239,759.76	1,580,861.63	341,101.87
MAINSTAY HIGH YLD CORP BD FD	12,918.9083	5.650	68,155.45	72,991.83	4,836.38
THORNBURG INTER VALUE FD A	123,349.4239	24.810	2,628,128.69	3,060,299.21	432,170.52
VICTORY SPECL VAL FD C-A	0.0000	13.550	0.01	0.00	(0.01)
FIDELITY ADV SMALL CAP FD CL T	30,773.6535	21.400	521,445.07	658,556.18	137,111.11
SELIGMAN COMM & INFO FD CL A	10,099.4812	38.780	320,962.63	391,657.88	70,695.25
AIM MID CAP CORE EQUITY FUND A	10,471.2435	20.950	184,523.09	219,372.55	34,849.46
MFS UTILITIES FUND CL A	1,071.8776	14.940	15,374.13	16,013.85	639.72
VAN KAMPEN EQUITY & INCOME A	0.3276	7.790	-1,045.16	2.55	1,047.71
PUTNAM EQUITY INCOME FD CL A	304,991.6982	13.600	3,955,421.86	4,147,887.10	192,465.24
TOTAL MUTUAL FUNDS			35,632,963.68	40,760,660.25	5,127,696.57
<u>LOANS</u>					
LOAN FUND	482,947.8500	1.000	482,947.85	482,947.85	0.00
CONVERSION LOAN FUND	0.1300	1.000	0.13	0.13	0.00
TOTAL LOANS			482,947.98	482,947.98	0.00
<u>PENDING SETTLEMENT FUNDS</u>					
PENDING SETTLEMENT FUND	200.0000	1.000	200.00	200.00	0.00
INVESTMENT TOTAL			41,384,845.93	46 512 542.50	5,127,696.57



REVALUED STATEMENT OF ASSETS

SAFENET, INC. 401(K) PLAN

FOR THE PERIOD 01/01/2009 - 12/31/2009

CONSOLIDATION

Investment Category	Shares/Units	Price/NAV	Cost/Book Value	Market Value	Difference
UNINVESTED CASH			0.00	0.00	0.00
ACCRUED INCOME			139.78	139.78	0.00
CASH			13,075.89	13,075.89	0.00
TOTAL ASSETS			41,398,061.60	46,525,758.17	5,127,696.57

The balance in the cash fund may be temporarily invested in the CMA Money Fund. Additional amounts not reported as cash may also be invested in the CMA Money Fund pending settlement of trades.