

## Strong rise of operational earnings Profitable growth confirmed

26 March 2008 – ARKOON Network Security's position as one of the major publishers of security solutions for information systems on the European market has been confirmed. The company has been listed on Alternext Paris since 12 July 2007.

### Simplified annual profit and loss account (1 January – 31 December)

In K€	31.12.2007*	31.12.2006**	Variation
Turnover	12,395	10,975	+ 13%
Ebitda	1,926	1,273	+ 51%
Ebit	545	136	+ 301%
Current earnings before tax	590	169	+ 248%
Net earnings	263	290	- 10%

\* Company accounts data 2007, after MSI merger

\*\* Consolidated accounts data 2006 Arkoon + MSI (comparable scope)

### Acceleration of security appliances and services sales

During the year, ARKOON Network Security recorded a global organic growth of 13%. The turnover of 'UTM appliances and security services', the core activity representing 81% of product sales, recorded strong growth at 22% or 5,781 K € for 4,755 K € the previous year.

### Strong progress for operational earnings (Ebit)

As announced, ARKOON Network Security maintained its structures under rigorous management, thus helping support growth as well as stabilise its total numbers. Such superior control together with an increased gross margin on sales have helped the gross operational surplus increase by 51% to 1,926 K €, for a turnover that has been increasing at a rate of 13%.

Operational earnings of 545 K € has improved by 409 K € compared with the previous fiscal year. Strong growth of 301% represents an operating margin of 4.4% for 1.2% in 2006.

Current earnings before tax has increased from 421 K € to 590 K €, i.e. + 248%. This includes positive financial earnings of 45 K € for 34 K € in 2006.

The net earnings figures were affected by extraordinary earnings of –579 K € related to derogatory reversals and allowances amortization of R&D. After taking into account tax credits of 252 K €, net earnings figures are recorded at 263 K€.

### Solid financial structure

As at 31 December 2007, ARKOON Network Security has a very solid financial structure with 11,162 K€ equity, very low financial debt figures (1.8% of equity) and liquid assets of 6,643 K€; these figures provide the company with the resources to pursue its development strategy through organic and external growth.

The company has also maintained a very active R&D policy with investments amounting to 2,844 K€, of which 1,412 K€ have been activated in capitalized production.

### Continuation of growth dynamics in 2008

Thanks to its position on buoyant markets for information system security and data protection, ARKOON Network Security intends to continue its profitable growth dynamics in 2008.



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About ARKOON Network Security 

*ARKOON Network Security was established at the end of 1999. The company has been able to meet the needs of the information systems security market by developing innovative and diversified solutions, notably for protecting networks and infrastructures, communications and information. For each of these segments, ARKOON Network Security offers complementary, compatible and modular product lines, tailored to clients' computer architecture.*

- *Infrastructure protection: FAST 360 range – UTM appliances: voice/data server, network and network perimeter protection.*
- *Communications protection: SSL 360 range – SSL VPN appliances: remote-user links securisation.*
- *Information protection: Security Box software suite: digital vaults and encryption of information on the terminal (Laptop, PDA, Smartphone).*

*The company targets mid-market & TOP 100 companies at European and global levels through a network of more than 150 partners.*

*With more than 4,000 clients, 5,000 appliances and 500,000 Security Box licenses installed each year in 57 countries throughout the world, ARKOON Network Security has a high rate of growth in a rapidly expanding market.*

**ARKOON Network Security has been awarded OSEO's seal of approval, "Innovative Company"**

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