

## Major improvement in 1st half results Favourable outlook for the entire financial year

17th September 2007 – ARKOON Network Security is one of the leading publishers of IT system security solutions on the European market. The company has been listed on Alternext by Euronext™ Paris since 12<sup>th</sup> July 2007.

### Simplified income statement for 1st half (1st January – 30th June)

In thousands of euros	30.06.2007	30.06.2006*	Change
Revenues	5 739	4 968	+ 16%
EBITDA	569	205	+ 178%
Operating result	- 94	- 303	+ 69%
Net result group share	- 287	- 446	+ 36%

\* On a like-for-like basis including MSI, which was merged on 1<sup>st</sup> January 2007.

ARKOON Network Security's business is seasonal, with over 56% of turnover is generated in the second half.

### Major improvement in performance on a like-for-like basis

- At €5,739k, activity in the 1st half of 2007 experienced 16% growth compared to the same period of 2006, falling in line with the Group's annual objectives.
- The EBITDA was boosted firstly by the rise in sales volumes, which offset R&D expenses more efficiently, secondly by an increase in the gross margin, namely due to the upgrading of product lines and finally through stringent control of operating costs.
- The operating result was up €209k on last year. Depreciation of R&D personnel costs stood at €509k over the period.
- The net result includes an extraordinary result of €- 306k\* and future tax credit of €114k. It came to €-287k, which is a €159k improvement compared with the situation on 30th June 2006.

\* The extraordinary result is made up of R&D provisions and write-backs.

### Consolidation of the financial structure

On 30th June 2007 after a fund-raising, ARKOON Network Security had a solid financial structure with:

- Shareholders' equity at €10,208k
- Net cash at €6,647k
- Financial indebtedness at zero.

### Favourable outlook for the whole financial year

In keeping with its development plan, ARKOON Network Security forecasts sustained organic growth at a level at least equivalent to that posted in the first half of 2007, with a better bottom line for the financial year as a whole.

The Group is also pursuing its international expansion. After setting up the first office in Italy in June 2007, ARKOON Network Security is looking into setting up an office in Spain in 2008.

The half-yearly financial report is available on the site [www.arkoon.net](http://www.arkoon.net) and [www.actusnews.com](http://www.actusnews.com)



**Contacts** 

ARKOON Network Security

Thierry Rouquet / Chief Executive Officer - Tel.: +33 4 72 53 01 01 -

Pierre-Yves Hentzen / Chief Financial Officer - Tel.: +33 4 72 53 01 01 - [contactfi@arkoon.net](mailto:contactfi@arkoon.net)

Actus Lyon

Amalia Naveira / Analyst/investor relations - Tel.: +33 4 72 18 04 92 - [anaveira@actus.fr](mailto:anaveira@actus.fr)

Marie-Claude Triquet / Press relations - Tel.: +33 4 72 18 04 93 - [mctriquet@actus.fr](mailto:mctriquet@actus.fr)

**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"**

**ISIN Code:** FR0010481101 - ALARK

**Website:** [www.arkoon.net](http://www.arkoon.net)

