

Good sales in a difficult environment

Lyon, 22nd July 2008 — **ARKOON Network Security is one of the leading publishers of security solutions for information systems on the European market. The company is listed on NYSE Alternext.**

In a difficult economic context, ARKOON Network Security shows a good sales record and made €5,537 K in turnover in the first half of 2008 as opposed to €5,738 on 30th June 2007.

Including outsourced turnover made through distribution agreements concluded in 2007, revenues remained stable at €5,767 K on 30th June 2008.

Good performance of Network Security activity

Network security sales (UTM appliances and security services), the Group's core business, amounted to €4,016 K (vs. €4,013 K on 30th June 2007), stable despite an increase in volume sales of UTM appliances. Over that period, the network security activity represented 72.5% of total turnover.

Data security sales (Security Box) amounted to €1,521 K (vs. €1,725 K on 30th June 2007). This activity was particularly penalised by delayed orders over that period.

Recurrent strong turnover increase: + 10%

Deferred revenues, produced by invoicing of maintenance contracts and subscriptions, increased strongly (+ €418 K) from €4,218 K on 31/12/2007 to €4,636 K on 30/06/2008. This reflects the growing share of recurrent revenue and an excellent contract renewal rate, a field in which the company has invested by industrialising its processes.

Promising start for the Italian subsidiary

Following investments made in the second half of 2007 for the opening of a sales structure in Italy, international turnover increased by + 77% to reach €527 K. On 30th June 2008, sales outside France represented 10% of turnover as opposed to 5% in 2007.

Backed up by the promising launch of the Italian subsidiary, Arkoon Network Security has opened an operation in Barcelona, Spain.

Trends expected in the second half

Traditionally, ARKOON Network Security enjoyed much higher business volume in the second half. In a market that remains highly competitive, the company will focus on maintaining margins and should benefit from new leverage with:

- The launch of the new Security Box Mobile version (smartphone and communicating PDA security software) which should stimulate sales of this product line;
- The first OEM (Original Equipment Manufacturer) invoicing. This policy consists in licensing ARKOON technology on other hardware platforms;
- Enhanced sales efficacy following finalisation of the reorganisation of sales and marketing structures between September 2007 and March 2008.

Contact

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About ARKOON Network Security 

A recognised pioneer in IT infrastructure protection, Arkoon - www.arkoon.net – has always striven to offer certified solutions tailored to protect sensitive information and infrastructure.

Arkoon solutions are grouped together in a protective system for its clients, regardless of their size, to meet their security objectives while minimising operational costs.

Arkoon protects information, communication and infrastructure through complementary solutions:

- The Security BOX software suite meets companies' data confidentiality, integrity and authenticity needs. The Security BOX encoding engine is certified Common Criteria EAL4+.
- The range of FAST360 appliances natively integrates FAST (Fast Applicative Shield Technology), patented by Arkoon, to protect infrastructure and communications. FAST360 is certified Common Criteria EAL2+.

The identity of the Arkoon company allows it to meet the needs of European private and public organisations precisely.

Established in 2000, with its head office in Lyon, Arkoon Network Security is listed on NYSE Alternext. Arkoon has subsidiaries in Italy and Spain. Its solutions are marketed worldwide by its certified partner network. The majority of Arkoon's clients are on Eurostoxx 100, include civil service departments and thousands of medium sized businesses. Arkoon solutions are deployed in more than 60 countries.

ARKOON Network Security has obtained the OSEO "Entreprise Innovante" label.

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