

## Turnover for 2010

### Business picks up in the second half-year

Lyon, 25 January 2011 — **ARKOON NETWORK SECURITY is a leading player in the end to end security solutions market, focussing on network security, communications, data and end point protection. The company is listed on the Paris NYSE Alternext stock market.**

#### Annual turnover rising slightly

Following the mid-year sales trends, ARKOON NETWORK SECURITY, firmly back to good sales dynamics, was therefore able to return to growth in the second half-year. Turnover for the full financial year is up by 2.3%, standing at €9,942K.

#### Breakdown of turnover by half-year

In K€	2010	2009
1 <sup>st</sup> half-year	4,413	4,828
2 <sup>nd</sup> half-year	5,529	4,890
Annual turnover	9,942	9,718

Turnover breakdown for 2010 is as follows:

- "FAST" Network Security forms €6,012K of aggregate turnover
- "SECURITY BOX" Data Protection represents €3,264K
- Other products complete the picture with €666K

Recurring turnover from maintenance contracts, software updates and subscriptions to security services, representing 53% of total business for the year, are on a positive trend.

Export forms 5% of aggregate turnover.

#### Analysis by individual business

Although Network Security lagged in comparison with 2009, it picked up at the end of the financial year, standing at €6,012K compared with €6,486K for 2009.

Data Protection continued to resist well, culminating in a slight rise with €3,264K compared with €3,172K for the prior year.

#### Reorganisation of the subsidiary SkyRecon Systems

SkyRecon Systems, acquired in 2009, develops and markets the StormShield software solution for end point protection. Immediately after acquisition, this subsidiary was heavily reorganised due to its tense financial situation.

At the end of 2010, reorganisation of SkyRecon Systems was well underway and infrastructure costs lowered by 40% to bring them in line with target market size. Turnover was €1,272K for the year ended 31 December 2010 compared with €1,295K for 2009.

Despite these rapidly implemented measures, ARKOON NETWORK SECURITY earnings for the year ended 31 December 2010 will be affected by the allowance for depreciation booked as a result of the difficulties sustained by SkyRecon Systems, currently undergoing reorganisation.



## ARKOON NETWORK SECURITY healthy balance sheet structure

As at 31 December 2010, ARKOON NETWORK SECURITY had strong equity capital and low financial debt.

At the end of financial year 2010, the group's cash position was €2.4m and is about to be strengthened by a historical shareholder's contribution coupled with confirmed bank loans, together totalling €1.5m.

## Outlook for 2011

On the business front, since companies are gradually investing again in IT security, ARKOON NETWORK SECURITY intends to consolidate the return to growth initiated in 2010.

Network Security dynamics will be driven by the evolutions around appliances and its FAST V5 version, now fully operational, in addition to strengthened presence with a network of partners.

Some major breakthroughs have been made in the field of Data Protection, and prospects consolidated with major historical clients. These agreements will enable the company to perpetuate its position with "sensitive accounts" (both public and private) in the long term, by providing solutions adapted to requirements and responding to ever-increasing threats of data leakage.

All this information provides a glimpse of the more favourable business climate expected for 2011, which should enable ARKOON NETWORK SECURITY to stabilise its subsidiary SkyRecon Systems and to step up its development as the financial year moves ahead.

**ARKOON NETWORK SECURITY 2010 earnings will be published after stock market trading on 29 March.**

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## About Arkoon Network Security

As a recognised pioneer in IT infrastructure protection, since its foundation, Arkoon ([www.arkoon.net](http://www.arkoon.net)) has made the commitment to offer the appropriate certified solutions for the protection of sensitive data and infrastructures.

Arkoon solutions are incorporated into the protection system of the client organisation, regardless of its size, thereby providing a cost-effective response to its security objectives.

Arkoon protects information, communications, infrastructures and computers with a range of complementary solutions:

- Security BOX software suite, preserving the confidentiality, integrity and authenticity of any information stored or shared within the organisation, as required, whether between PCs or a PC and a smartphone. Security BOX encryption is certified Common Criteria EAL4+.
- FAST360 appliance range, integrating native Fast Applicative Shield Technology (FAST), patented by Arkoon, to protect infrastructures and communications. FAST360 is certified Common Criteria EAL2+.
- Stormshield software application, designed and marketed by SkyRecon, a subsidiary of Arkoon specialising in behavioural security software solutions, offers comprehensive protection for the system, applications and data on any desktop or laptop computer.

Founded in 2000, its registered office situated in Lyon, Arkoon Network Security is listed on the Paris NYSE Alternext market. Its solutions are marketed all over the world through a network of certified partners and subsidiaries. A large majority of Arkoon's clients are formed of companies listed on Eurostoxx 100, public bodies and thousands of medium-sized enterprises. Arkoon solutions are rolled out in more than 60 countries.

**Arkoon Network Security has OSEO "Innovative Enterprise" certification and has been distinguished as a member of the OSEO Excellence network composed of 2,000 companies.**



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