

Record first-half earnings

Turnover: up 15% to €6.1 million
EBITDA: 20% at €1.2 million
Net margin: 11% at €0.7 million

Lyon, 25 September 2012 – ARKOON NETWORK SECURITY is a major player in IT security solutions, offering communications, data and endpoint protection, as well as secure SaaS and cloud computing. The company is listed on Alternext by NYSE-Euronext Paris.

TURNOVER UP 15%

Group figures in €000	H1 2012	H1 2011	Growth
TURNOVER FROM BUSINESSES	6,078	5,306	+772
EBITDA	1,214	166	+1,048
EBIT	154	-826	+980
NET PROFIT	659	-556	+1,215

ARKOON NETWORK SECURITY had a successful first half of 2012, owing in particular to the recovery of its subsidiary SKYRECON Systems. SKYRECON Systems was in difficulty when it was taken over two-and-a-half years ago; now it is generating strong, profitable growth that exceeds forecasts. Its customers are particularly keen on its end point protection software solutions, and its technology is recognised as being among the most effective on the market for protecting against targeted attacks. In the United States, SKYRECON Systems' business is also showing promising signs.

The Group's two other activities, network security and data protection, also experienced growth, with a 35% increase in sales of **FAST360** appliances and a 27% increase in sales of **SecurityBox** licences, contributing to the Group's overall growth.

The Group's first-half turnover advanced by 15% to €6,078 thousand and invoicing was up 25% at €6,713 thousand.

EBITDA, amounting to €1,214 thousand, benefited from an improvement in the gross margin, SKYRECON's exceptional recovery and tight control over operating expenses.

Thanks to deft, rigorous management, operating profit increased by €980 thousand, totalling €154 thousand vs. an operating loss of €826 thousand in H1 2011. For the first time in its history, ARKOON NETWORK SECURITY recorded an operating profit during a first half, notwithstanding seasonal effects.

Net profit escalated to €659 thousand, vs. a loss of €556 thousand in H1 2011. Individually, net profit from ARKOON NETWORK SECURITY's three companies – ARKOON NETWORK SECURITY, SKYRECON FRANCE and SKYRECON US – amounted to €436 thousand (incl. €300 thousand in provision reversals, leaving €4,019 thousand remaining on the balance sheet), €502 thousand and €21 thousand, respectively.

As of 30 June 2012, ARKOON'S financial structure was robust, with €8,863 thousand in equity, €4,437 thousand in cash and cash equivalents, and €2,533 thousand in cash net of debt.

GROWTH AND PROFITABILITY EXPECTED FOR THE FULL YEAR

Following a turnover of €10.8 million in 2011 and €6.1 million in H1 2012, ARKOON NETWORK SECURITY, which traditionally experiences stronger sales in the second half of the year, is optimistic about achieving the upper end of its full-year objectives and posting a significant increase in its bottom line.

Furthermore, ARKOON has just launched three innovative projects for which it will receive financing due to the projects' innovative character. One of the projects, MIDAS, led by SKYRECON, adopts a radically different approach to that of current technologies in protecting organisations and companies at risk from the most sophisticated cyber-attacks. Developed jointly by ARKOON in its Lyon-based security centre of expertise, and EURECOM, a research centre specialising in communications and applications security, MIDAS is one of ARKOON'S many initiatives in technological innovation and an example of its expertise.

The above results were audited by the Statutory Auditor (except for SKYRECON US) and presented to the company's Supervisory Board at their meeting of 17 September 2012.

Next publication: FY 2012 turnover, 22 January 2013 after market close.



About ARKOON NETWORK SECURITY:

As a recognised pioneer in IT infrastructure protection, Arkoon (www.arkoon.net) offers certified solutions for protecting sensitive data and infrastructures.

Arkoon solutions are incorporated into the protection system of companies and public entities, regardless of their size, thereby providing a cost-effective response to their security objectives.

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

- The **SecurityBox** software suite preserves the confidentiality, integrity and authenticity of any information stored or shared within the organisation. It can be used to create secure, shared workspaces. SecurityBox encryption is certified Common Criteria EAL3+ by ANSSI, the French IT system security agency.
- The **FAST360** appliance range, integrating native Fast Applicative Shield Technology (FAST), patented by ARKOON, to protect infrastructures and communications against the most complex attacks. FAST360 is also certified Common Criteria EAL3 by ANSSI.
- **StormShield**, a software solution designed and marketed by SkyRecon, a subsidiary of ARKOON specialising in behavioural security, offers comprehensive protection for the system, its applications, data and peripherals on any desktop computer, laptop or server. StormShield distinguishes itself from other solutions via its one-of-a-kind HIPS, which can proactively block even the most advanced targeted attacks. Used in the most demanding contexts, this solution offers unparalleled security while remaining completely transparent for the user.

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 client base is composed of companies listed on Eurostoxx 100, public bodies and thousands of enterprises of all sizes. 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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