19% GROWTH FOR ARKOON NETWORK SECURITY

2012 turnover: € 13m

Lyon, 22 January 2013 — **Arkoon Network Security is a major player in IT security solutions, offering communications, data and endpoint protection. The company is listed on Alternext by NYSE-Euronext Paris.**

GROWTH MAINTAINED OVER ENTIRE YEAR			

Turnover (in € 000)	2012	2011	Growth
ARKOON NETWORK SECURITY	10,913	9,048	+20.6%
SKYRECON SYSTEMS (FRANCE, US)	2,116	1,932	+9.5%
Total Group activities	**13,029**	**10,980**	**+18.7%**

Over the year, ARKOON NETWORK SECURITY fully benefited from its strategic reorientation, the complementary features of its three product lines and a growing awareness of the increasing threat of cybercriminality weighing on companies and state infrastructure.

A trusted partner offering an extensive range of protection systems, ARKOON NETWORK SECURITY had a very good financial year in 2012. The Group's consolidated turnover totalled €13,029 thousand, up 18.7%, and invoicing increased 23% to €13,720 thousand. The Fast, SecurityBox and StormShield businesses, grouped into the Group's two entities, all contributed to this growth, which accelerated in the second half (up 23% in H2 2012 vs. 15% in H1).

Turnover from outside France (direct turnover, excluding international sales made by distributors in France) totalled €1,004 thousand, up 16%. Growth was particularly strong in North America, where turnover increased by 21% and where prospects for future business are considerable with private companies and public entities alike, attesting to the quality of the products compared to those of local competition, and reflecting the geopolitical context.

The breakdown of turnover into product lines showed that solutions sold especially well, in particular the new-generation FAST360 range of appliances:

- The **Network Security** business increased by 27% to €8.17 million. It was buoyed by the sales of **FAST360** appliances, which advanced by 84% to €4.5 million following a large-scale campaign to migrate the installed base.

- The **SecurityBox** business posted healthy turnover of €2.75 million, up 4.2%, benefiting from the close relations with customers sensitive to the importance of encrypting exchanges and data.

- SKYRECON SYSTEMS, a Group subsidiary present in France and the US, proved the relevance of **StormShield, its endpoint protection solution** for protecting against targeted attacks, with sales of €2.12 million, up 8.2% in France and 21.4% in the US.

Recurrent revenues from maintenance contracts, software updates and subscriptions to security services came in at €4,247 thousand, representing 33% of total Group activities.

Deferred revenue deriving from invoicing on these future contracts and not included in 2012 turnover totalled €4,021 thousand, indicating promising future revenues.

This performance, combined with healthy management of operations, should enable ARKOON NETWORK SECURITY to post a significant increase in full-year earnings.

The Group's already robust financial structure has been further strengthened. Cash flow generated during the financial year enabled the Group to partially repay its already low debt. As of 31 December 2012, ARKOON NETWORK SECURITY had in excess of €9 million in shareholders' equity, gross Group cash of €5.8 million, compared with debt of €1.5 million, excluding factoring accounts and conditional advances.

REINFORCING THE GROUP'S POSITIONING IN 2013

Following a record 2012, and building on its reputation for providing technologies that are well-suited to handling the worrying increase in cybercriminality, in 2013 ARKOON NETWORK SECURITY will continue to grow, providing security to companies, large groups and sensitive private and public infrastructure.

Next publication: 2012 full-year results, 26 March 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 EAL4+ 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, with its registered office 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 deployed 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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