



Exclusive Group: Crisis? What Crisis?

**With 67% growth in 2009,
Exclusive Group is consolidating its ambitious international strategy**

Boulogne, 26 March 2010 – For many, 2009 will forever be the year of crisis, recession, exploding unemployment, and drastic cost reductions... These ominous signs of a flagging economy have left their mark on people's minds. And yet, in this difficult global context, Exclusive Networks – a French SME with an international presence – grew by more than 67% in 2009. Its revenues rocketed from €49.2 million in 2008 to €82.6 million in 2009 (year ending 12/31/09). Over the same period, its headcount doubled from 60 to 120 persons.

What makes these results even more telling is that Exclusive Networks operates in the IT distribution market, a sector that went through a period of stagnation, if not out-and-out recession, in 2009. As a high value-added distributor specializing in professional security, network infrastructure and storage solutions, the company currently works with 40, mainly American, suppliers and a customer base of over 1500 resellers.

Chronicle of a success foretold

An atypical business model in the IT distribution sector

Using an atypical business model, Exclusive Networks is very much the prime, or even exclusive, partner of the brands that it represents, and as such provides them with high value-added global support in the commercial, marketing, technical, logistical and even financial fields. Exclusive Networks offers manufacturers and software vendors a differentiating range of services, going well beyond the usual practices (business planning, horizon-scanning, technology watch, end-user events, evangelization and more). Drawing on this know-how, Exclusive Networks sells the solutions that it represents to its resellers – whom it selects, trains and organizes directly, throughout the sales cycle of a product.

Looking ahead to spot tomorrow's leaders

With its cutting-edge expertise in the areas of IT security, infra-networks and storage, Exclusive Networks works with a restricted circle of vendors and manufacturers. For this reason, the value-added distributor is particularly selective about the solutions it represents, and refuses to work with suppliers in head-on competition.



To ensure the success of this policy, it is essential that Exclusive Networks should only represent flagship players or emerging leaders. The distributor's history is punctuated by European launches of products detected far upstream, and which have since become standard solutions in their respective markets. Examples include Fortinet, Ironport (bought up by Cisco in 2008) or Datadomain (acquired by EMC in 2009); many others have been launched in Europe by Exclusive Networks and have gone on to achieve widely recognized success. Since 2009, Palo Alto, a fast-rising firewall provider, has joined the Exclusive Networks portfolio. Operating initially in Spain, and then in Italy, France and Finland, this partnership is expected to expand to other countries in 2010.

Fund-raising, creation of subsidiaries and external growth operations for a vast international development project

Building on its success in France, Exclusive Networks decided, in 2007, to make short-term investments in new European territories, by setting up subsidiaries or acquiring medium-sized structures. The primary objective was to get a foothold in France's neighboring countries, and particularly in one of its two key markets, i.e. Britain or Germany.

To do so, Exclusive Networks opened up its capital in the first half of 2007, raising €3m to help fund its growth and realize its international ambitions. The operation, of strategic importance to the company, was a success: Edmond de Rothschild Investment Partners acquired a 34% stake in Exclusive Networks in June 2007. For this benchmark player in venture capital to come on board was a major step in the distributor's development, and a clear vote of confidence in Exclusive Networks' potential for success.

Less than a month later, Exclusive Networks began its international expansion in Belgium, by acquiring Netdirect (July 2007) and in the Netherlands, by acquiring Qdis Technologies (December 2007). This first step was quickly followed by the creation of subsidiaries in Spain (September 2007), Italy (February 2008), England (June 2008) and Portugal (December 2008). In parallel, Exclusive Networks opened an export department for French-speaking Africa (February 2008), based in France. In July 2009, Exclusive Networks reinforced its presence in a strategic country, Britain, by acquiring Arc Technology Ltd. (35 persons, €17.2m in 2008), a value-added distributor of web and workstation security solutions and network infrastructure products.

With sales figures of €42.6m outside France in 2009, compared with €17.7m in 2008, the first steps in Exclusive Networks' international development have been crowned with success. The high value-added IT distributor is now turning to northern Europe, with the opening of a subsidiary in Sweden (October 2009) and another in Finland in January 2010.

Exclusive Networks is aiming for a 30% revenue increase in 2010 and is also looking into other opportunities for external growth or new subsidiaries to extend the spectrum of its activities into new territories and further consolidate its ambitious strategy. To this end, Exclusive Networks is planning a new fund-raising share issue for the first half of 2010.

About Exclusive Group

Exclusive Group is a European value-added distributor specializing in critical security, infra-network and storage solutions.



Exclusive Group is recognized for marketing highly innovative, forward-looking solutions that meet existing or emerging needs, such as unified information security threat management.

The keys to Exclusive Group's success lie in its proven technical skills and its commitment to its operator, integrator, VAR and service provider partners (through consulting, training and support) and to its vendors and manufacturers, notably in defining their business plans and marketing actions. Headquartered in France, Exclusive Group is now present in 11 countries: France (Paris, Lyon and Montpellier), Spain, Portugal, Italy, Britain, Netherlands, Belgium, Francophone Africa, Switzerland, Sweden and Finland.

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