

Communiqué de presse

Fortinet Announces First Quarter 2010 Financial Results

- *Billings of \$79.4 million, up 32% year over year*
- *Revenues of \$69.8 million, up 29% year over year*
- *Product revenue of \$27.1 million, up 40% year over year*
- *GAAP EPS of \$0.06*
- *Non-GAAP EPS of \$0.08*
- *Free cash flow at a record \$21 million*

Paris, le 29 avril 2010 - Fortinet® (NASDAQ: FTNT) – a leading network security provider and worldwide leader of unified threat management (UTM) solutions – today announced financial results for the first quarter ended March 31, 2010.

Financial Highlights for the First Quarter of 2010

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- **Billings:** Total billings were \$79.4 million for the first quarter of 2010, an increase of 32% compared to the first quarter of 2009. We define billings as revenue recognized plus the change in deferred revenue from the beginning to the end of the period.

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- **Revenue:** Total revenue was \$69.8 million for the first quarter of 2010, an increase of 29% compared to the first quarter of 2009. Within total revenue, product revenue was \$27.1 million, an increase of 40% compared to the first quarter of 2009. Services revenue was \$38.6 million, an increase of 22% compared to the first quarter of 2009. Ratable product and services revenue was \$4.1 million, an increase of 23% compared to the first quarter of 2009.

- **Deferred Revenue:** Deferred revenue was \$211.5 million as of March 31, 2010, an increase of 19% compared to deferred revenue as of March 29, 2009, and up \$9.6 million from December 31, 2009.
- **Cash and Cash Flow:** As of March 31, 2010, cash, cash equivalents and investments were \$280.9 million, compared to \$260.3 million as of December 31, 2009. Cash flow from operations was \$21.8 million for the first quarter of 2010, compared to \$15.6 million for the first quarter of 2009. In the first quarter of 2010, free cash flow was \$20.8 million, compared to \$12.9 million for the first quarter of 2009. We define free cash flow, a non-GAAP measure of liquidity, as net cash provided by operating activities less capital expenditures.
- **GAAP Operating Income:** GAAP operating income was \$6.7 million for the first quarter of 2010, representing a GAAP operating margin of 10% and an increase of 108% compared to the first quarter of 2009.
- **Non-GAAP¹ Operating Income:** Non-GAAP operating income was \$8.9 million for the first quarter of 2010, representing a non-GAAP operating margin of 13% and an increase of 85% compared to the first quarter of 2009. Non-GAAP operating income and operating margin exclude stock-based compensation expense.
- **GAAP Net Income and EPS:** GAAP net income was \$4.2 million for the first quarter of 2010, compared to \$3.8 million for the first quarter of 2009. GAAP EPS was \$0.06 based on 74.9 million weighted-average diluted shares outstanding, compared to a loss of \$0.07 based on 21.0 million weighted-average diluted shares outstanding for the first quarter of 2009. The loss per share was based on a net loss attributable to common stockholders of \$1.5 million (which includes a \$5.2 million expense from the premium paid to repurchase convertible preferred shares).
- **Non-GAAP¹ Net Income and EPS:** Non-GAAP net income was \$5.8 million for the first quarter of 2010, based on a 35% tax rate. This compares to \$5.4 million for the first quarter of 2009, based on a 10% tax rate. Non-GAAP EPS was \$0.08 for the first quarter of 2010 based on 74.9 million weighted-average diluted shares outstanding, compared to \$0.08 in the first quarter of 2009 based on 65.9 million weighted-average diluted shares outstanding. Non-GAAP net income and EPS exclude stock-based compensation expense and the related tax effects.

¹A reconciliation of GAAP to non-GAAP financial measures has been provided in the financial statement tables included in this press release. An explanation of these measures is also included below under the heading "Non-GAAP Financial Measures."

Management Commentary:

Ken Xie, founder, president and chief executive officer of Fortinet, stated: *“We are very pleased with the company’s execution in the first quarter, which resulted in accelerated growth across our targeted customer segments and across all geographic regions. We believe Fortinet’s business momentum is being driven by our superior value proposition in unified threat management, combined with growing traction for our complementary product portfolio and ramping productivity related to our increased investments in the sales organization.”*

Ken Goldman, chief financial officer of Fortinet, stated: *“We reported solid results in the first quarter, which met or exceeded our expectations across key metrics, including billings, revenue, operating profitability and cash flow. Looking ahead, we will continue to invest in our business to support growth as the economic environment improves. At the same time, we remain focused on continuing to drive productivity improvements to deliver against our goals of long-term operating margin expansion.”*

Conference Call Details

Fortinet will host a conference call today, April 28, 2010, at 1:30 p.m. Pacific Time (4:30 p.m. Eastern Time) to discuss the Company’s financial results. To access this call, dial (877) 303-6913 (domestic) or (224) 357-2188 (international) with conference ID # 69537822. A live webcast of the conference call and supplemental slides will be accessible from the Investor Relations page of Fortinet’s website at <http://investor.fortinet.com> and a replay will be archived and accessible at: <http://investor.fortinet.com/events.cfm>. A replay of this conference call can also be accessed through May 7, 2010, by dialing (800) 642-1687 (domestic) or (706) 645-9291 (international). The replay passcode is 69537822.

Following Fortinet’s earnings conference call, the Company will host an additional question-and-answer session at 3:30 p.m. Pacific Time (6:30 p.m. Eastern Time) to provide an opportunity for financial analysts to ask more detailed product and financial questions. To access this call, dial (877) 303-6913 (domestic) or (224) 357-2188 (international) with

conference ID # 69539155. This follow-up call will be webcast live and accessible at <http://investor.fortinet.com>, and will be archived and available after the call at <http://investor.fortinet.com/events.cfm>. A replay of this conference call will also be available through May 7, 2010 at (800) 642-1687 (domestic) or (706) 645-9291 (international). The replay passcode is 69539155.

À propos de Fortinet

Fortinet (code NASDAQ : FTNT) est l'un des principaux fournisseurs de solutions de sécurité réseau et de systèmes unifiés de sécurité *Unified Threat Management* ou UTM. Nos produits et services d'abonnements assurent une protection étendue, intégrée et efficace contre les menaces dynamiques, tout en simplifiant l'infrastructure de sécurité informatique. Parmi nos clients figurent des administrations, des fournisseurs d'accès et de nombreuses entreprises, dont la plupart font partie du classement 2009 du Fortune Global 100. Fortinet, dont le siège social se trouve à Sunnyvale en Californie (États-Unis), dispose également de bureaux dans le monde entier.

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