

PRESS RELEASE
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**ARCOT SYSTEMS™ PARTNERS WITH SOFTRONIC AB TO BRING
MOBILE, SECURE DIGITAL IDENTITY SOLUTIONS TO GLOBAL
CUSTOMER BASE**

**Arcot WebFort™ License and Professional Services Equip Leading
Provider of Integrated Business Solutions with Key Security Technology
Required for Winning
e-Business Strategies**

SANTA CLARA, CA – (July 25, 2000) – Arcot Systems, Inc., provider of mobile, secure digital identity solutions, today announced a partnership with Softronic AB, based in Stockholm, a leading provider of integrated business solutions. This partnership will allow Softronic to offer its customers the Arcot Digital Identity™ solutions as part of its products and services focused on transforming clients into complete “digital companies”.

Founded in 1984, Softronic offers information technology, IT, solutions and services for its global customer base by providing integrated business solutions within communication, technology and management. Softronic’s products and services are designed to help improve companies’ computing infrastructures and business practices and assist them to take advantage of the opportunities made available by the growth of the Internet.

Under the terms of the agreement, Softronic will license Arcot WebFort for use in its own product developments and offerings. Softronic will also use WebFort as a secure digital identity solution to be integrated into its customers’ existing e-business infrastructures.

"Softronic is dedicated to helping companies succeed in the New Economy," said Anders Eriksson, CEO of Softronic AB. "Our partnership with Arcot Systems allows us to offer our clients the latest in state-of-the-art, secure digital identity technology as a critical component of a complete e-business solution."

“Our partnership with Softronic provides Arcot with a strong system integration ally with a focus on improving business processes and methods,” said Chet Silvestri, President and CEO of Arcot Systems. “Our mutual commitment to the success of our clients will enable them to quickly adapt to the requirements of the secure digital economy.”

The Softronic relationship represents the second beachhead secured by Arcot in Sweden, a well-recognized leader in both digital infrastructure and broad use of the Internet. This development complements the recent licensing of Arcot WebFort to Sweden’s National Post Office to create a national secure digital signature system that will also be marketed in other parts of Europe. Now,

global companies that want to take advantage of this new system can turn to Softronic for assistance in upgrading their existing IT infrastructure and business processes.

Please, turn over

Softronic operates businesses in Sweden, Denmark, Estonia, the United Kingdom, France, Portugal, Spain and the United States. Clients include those in the insurance, medical, high-tech software and heavy manufacturing industries, among many others.

“Our customers’ demand for competence and experience with modern Internet technology, e-business, e-strategy, e-security and change management is an example of where Softronic combines state-of-the-art technology with business know-how in responsible and long-term customer-relations” said Michael Green, Softronic, manager for e-security.

In a separate, albeit related, development, Arcot also announced its Professional Services offering. Effective immediately, Arcot will provide project management, consulting development and installation expertise to help Arcot WebFort licensees plan, analyze, design, implement a complete Arcot Digital Identity solution. Available on a project basis, these experienced managers provide the training, strategies and tactics necessary to create flexible, scalable designs that meet current and future secure digital identity needs.

Arcot Systems provides custom develop resources to accelerate the availability of state-of-the-art secure digital identity solutions to the licensees’ user base. Working with client development teams or as a turnkey solution, the Arcot Professional Services development team can quickly integrate Arcot WebFort into a company’s existing IT infrastructure.

The use of Arcot WebFort protects user identities with breakthrough technology that hides the genuine credentials among millions of equally plausible ones. Hackers cannot discern the genuine credential from the spurious ones. Further safeguards limiting log-in attempts prevent unauthorized access by means of brute-force attacks.

Arcot provides Professional Services and partners with world-class system integrators to deliver its secure digital identity solutions to leaders in the New Digital Economy. Leaders in financial services, healthcare and e-commerce are adopting Arcot to protect user privacy, confidential information and secure transactions. Arcot also boasts a blue chip line-up of investment partners, including Accel Partners, Novell, Inc., Onset Ventures, Oracle Venture Fund and Raza Ventures.

About Softronic

Softronic provides integrated business solutions within communication, technology and management. We combine state-of-the-art technology with business know-how in responsible and long-term customer-relations. Our customers demand competence and experience within modern Internet technology, e-business, e-strategy and change management. Softronic has 380 employees and is located in Stockholm, Gothenburg and Malmö, as well as in Denmark, Estonia, England, France, Portugal, Spain and the United States. Softronic was founded in 1984 and is quoted on the Stockholm stock exchange’s list - Attract40. For more information, please see our web site at www.softronic.com.

About Arcot Systems

Arcot Systems, Inc., located in Santa Clara, CA, provides secure digital identity solutions to ensure privacy and reduce fraud in enterprise and Internet transactions. Only Arcot can provide a software-based solution with any-device, anywhere, anytime capabilities for users that demand mobility,

security and convenience. For more information, please see our web site www.arcot.com, contact us at 408-969-6100 or e-mail at info@arcot.com.

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