



Media Release

Internet Security Systems to Acquire Network ICE

~ ISS Expands Information Protection Platform with Advanced Desktop Security and Highly Scalable Management System ~
Conference Calls and Web Casts to be held 8:30 AM, EDT and 10:30 AM, EDT on
Tuesday, May 1, 2001

Zurich - Mai 05, 2001 - Internet Security Systems (ISS) (Nasdaq: ISSX) today announced an agreement to acquire privately-held Network ICE Corporation of San Mateo, California, a leading developer of desktop intrusion protection technology and highly scalable security management system. Additionally, the Company is providing its updated business outlook for the second quarter and fiscal year ending December 31, 2001.

The acquisition broadens ISS' overall market opportunity and enhances the company's strategy of offering information protection solutions that actively detect and prevent security risks at every potential point of compromise on desktops, servers, networks and gateways. Under the terms of the agreement, ISS will issue approximately 4.3 million common shares, valued at approximately \$195 million based on the closing price of ISSX stock on Friday, April 27, 2001, for all of the outstanding shares of Network ICE. Additionally, approximately 300,000 shares of ISS common stock will be reserved for future exercise of stock options outstanding under the Network ICE stock option plan assumed in the transaction. The transaction has been approved by the Board of Directors of both companies and voting agreements in favor of the transaction have been obtained from sellers representing more than 70% of the outstanding stock of Network ICE. The transaction is subject to certain regulatory approvals and customary closing conditions. ISS currently anticipates that the transaction will close in June 2001.

Based on unaudited results for the most recent quarter, Network ICE has an annualized revenue run rate of approximately \$14 million. The transaction will be accounted for using the purchase method of accounting and the results of Network ICE will be included from the date of closing of the transaction.

Network ICE's desktop applications and security management solutions complement ISS' existing leading network and server-based security management software and service solutions by extending ISS' expertise to protect mobile, remote and corporate desktops.

"As network boundaries continue to dissolve, our customers need a pervasive protection platform that blankets every point of compromise," said Tom Noonan, president and chief executive officer for Internet Security Systems. "This acquisition directly supports our long term vision and accelerates our solution strategy. ISS will now be the first to deliver an unmatched set of information protection solutions that span desktops, servers, networks and gateways - adding critical protection of desktops as a component of our overall intellectual capital protection capabilities.



Media Release

With an expanded software and managed security services solution set focused on protecting the corporate desktop, ISS will continue on its path of serving a broader customer base and setting new standards in information protection."

Greg Gilliom, president and chief executive officer of Network ICE added, "Combining ISS and Network ICE marks the advent of a new beginning for our customers, partners and employees. ISS and Network ICE share a common vision and core values and we look forward to continuing to deliver the next generation in intrusion detection and information protection systems."

Founded in 1998 by a team of network analysis and security experts, Network ICE (www.networkice.com) has approximately 100 employees. Network ICE will become part of ISS' Enterprise Solutions business headed by Ken Walters, president and general manager. Greg Gilliom and the other founders each will have significant positions in Enterprise Solutions which comprises ISS' software, consulting and educational services.

Business

Outlook

This transaction is not expected to have any impact on the previously provided business outlook for the second quarter of 2001 provided by the Company in connection with the release of first quarter results on April 18, 2001. ISS currently expects additional revenues in the second half of 2001 of between \$10,000,000 and \$15,000,000 and expects the transaction will be non-dilutive to previous guidance for earnings per diluted share. The assumption for earnings per share is a pro forma amount without the impact from this acquisition of expense from amortization of goodwill and intangible assets and non-cash compensation charge due to unvested options. Following the merger ISS currently expects, for fiscal 2001, revenues in the range of \$295,000,000 to \$300,000,000 and earnings of \$0.65 to \$0.70 per diluted share. The public can continue to rely on this guidance, which is available on the Web site (www.iss.net), unless ISS publishes a notice stating otherwise. ISS will have a "Quiet Period" when ISS and its representatives will not comment concerning previously published financial expectations, and we disclaim any obligation to update during the Quiet Period. The public should not rely on previously published expectations during the Quiet Period, which is expected to run from June 15, 2001 until the earnings are released the third or fourth week of July.



Media Release

About Internet Security Systems (ISS) Internet Security Systems is the leading global provider of security management solutions for the Internet, protecting digital assets and ensuring safe and uninterrupted e-business. With its industry-leading intrusion detection and vulnerability assessment, remote managed security services, and strategic consulting and education offerings, ISS is a trusted security provider to more than 8,000 customers worldwide including 21 of the 25 largest U.S. commercial banks and the top 10 U.S. telecommunications companies. Founded in 1994, ISS is headquartered in Atlanta, GA, with additional offices throughout North America and international operations in Asia, Australia, Europe, Latin America and the Middle East.

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