

FOR IMMEDIATE RELEASE

ARI Network Services, Inc., Provides Additional Proxy Voting Information

Milwaukee, Wis., December 13, 2016 – ARI Network Services (NASDAQ: ARIS) today mailed a letter to its stockholders in connection with the Company's upcoming 2017 Annual Meeting of Stockholders to be held on January 5, 2017.

The full text of the letter being mailed to stockholders follows:

PROTECT YOUR INVESTMENT

VOTE THE ENCLOSED WHITE PROXY CARD TODAY!

December 13, 2016

Dear Fellow Shareholder,

You may have seen Park City Capital, LLC's (Park City) most recent press release concerning ARI Network Services, Inc. (ARI or ARIS). We know that you may be feeling overwhelmed with communications on this matter, but we want to take a few moments of your time to update and/or reiterate the points in our prior communications that we believe are of primary importance to our shareholders.

ARI's Strategy IS Working

We believe ARIS's performance over past few years speaks for itself. **Most notably¹:**

- For the calendar year-to-date 2016 through November 30, total shareholder return for ARIS was 18%, outperforming the NASDAQ Composite Index (NASDAQ) by 12% and the Dow Jones Industrial Average (DOW) by 8%
- For each of the 12-, 24- and 36-month periods ended November 30, 2016, total shareholder return outperformed NASDAQ by no less than 27% and the DOW by no less than 29%
- For the five-year period ended November 30, total shareholder return was 271%, outperforming NASDAQ by 168% and the DOW by 212%
- Since the Financial Crisis of 2007 to 2008, ARIS has delivered a total shareholder return of 391%, outperforming NASDAQ by 153% and the DOW by 273%²
- ARIS's stock price has increased from \$0.50 in October 2010 to \$5.44 in October 2016

These strong returns were made possible by the management of ARIS, under the careful direction of our Board of Directors, executing on our growth strategy, to deliver:

- Revenue growth from \$30.1 million to \$47.7 million, or 58%
- A transition from an operating loss to operating income of over \$3.5 million
- Cash flow from operations growing from \$2.4 million to \$7.7 million, or 221%

¹ All financial results are based on FY13 to FY16 year-end results, unless otherwise noted.

² Based on the Yahoo Finance closing stock prices on January 1, 2009, and November 30, 2016, respectively.

- A three-year daily trading volume increase of 3130%; and a five-year daily trading volume increase of 382%³

Your Board and management team are confident in our belief that our strategy will continue to work and produce significant results. **The highly qualified, experienced Directors nominated by your Board have been, and continue to be, critical members of our team.** We have maintained our diligent focus on growing the business both organically and by acquisition. By executing on our strategic plan, we have been able to **invest in the future while continuing to deliver results for shareholders.**

At Board meetings, our Directors regularly review comparable market valuation metrics and comparable transactions in the marketplace, consistently weighing that data against our view of the long-term prospects of ARIS. Further, contrary to assertions made by Park City, our ultimate goal is to maximize value for ARIS's shareholders, which may or may not include selling the Company.

ARIS Board Nominees

ARIS believes its director nominees bring unique, relevant and important experience to the Board.

William C. Mortimore

- Extensive public company experience as a business operator, board member and audit committee chair
- Extensive technical background that brings unique expertise with IT infrastructure, cyber security and software development
- Lead the successful initial public offering of Merge Healthcare while serving as the CEO
- A long track record of delivering results to ARI's shareholders

Robert Y. Newell, IV

- Extensive public company experience, serving three public companies as CFO and completing four initial public offerings
- Experience with strategic corporate collaborations, licensing agreements and sales
- Experience as founding investor in technology and life science companies in Silicon Valley
- Long-term relationships in commercial and investment banking markets
- A long track record of delivering results to ARI's shareholders

Based on our review, we do not believe that either of Park City's Nominees possess these skills or would bring any new or relevant experience, skills or competencies to the Board. We would encourage you to review our Letter and definitive Proxy Statement dated November 28, 2016, for additional information.

³ Based on the Yahoo Finance closing volume data for ARIS as of November 15, 2016, November 15, 2013, and November 15, 2011.

In Conclusion — ARIS Board is Highly Qualified, Delivering Results and Aligned with ALL Shareholders

Your Board is comprised of six highly qualified and very experienced Directors, five of whom are independent and all of whom are actively engaged in overseeing initiatives for enhancing shareholder value. There is a broad and diverse set of skills and experiences represented on your Board, including in the areas of technology, strategic planning, mergers and acquisitions, corporate governance, legal, accounting, finance, marketing, risk management, capital allocation and the public markets. In addition, ARI's Board consists of members who have experience in sale transactions, both public and private. In addition, the Board considers it their fiduciary duty to consider all possibilities, including a sale transaction, in any comprehensive review of alternatives to maximizing shareholder value.

We believe that our two highly qualified and very experienced director nominees for election to your Board at the upcoming Annual Meeting – **Robert Y. Newell, IV and William C. Mortimore** – have the integrity, knowledge, investor perspective, breadth of relevant and diverse experiences, relationships and commitment to the long-term success of ARIS necessary to enable ARIS to continue executing on strategies for maximizing shareholder value.

William C. Mortimore's Record with ARI

Mr. Mortimore has served on ARI's board since 2004 and has been Chairman of ARI's audit committee since 2007. During his tenure, and due in large part to his careful and conscientious oversight, ARI's corporate governance and financial reporting have been strong and transparent, with:

- **No instances of financial restatements**
- **No material weaknesses in internal controls**
- **No material Code of Business Conduct and Ethics policy violations**
- **No material Whistleblower Policy reports**

We would like to add that Mr. Mortimore is one of the loudest voices in our board room regarding the importance of corporate governance and has been one of the strongest proponents of ARI's comprehensive *Code of Business Conduct and Ethics* and *Whistleblower Policy*⁴. We believe that ARI's record during Mr. Mortimore's more than 10-year tenure on the Board, both in terms of corporate governance and in delivering total shareholder return, reflects the seriousness that he and all the other members of your Board bring to the job every day.

In our letter of December 2, 2016, we noted in our discussion of the events that took place at Merge Healthcare Inc. that “the SEC affirmatively notified Mr. Mortimore that he would not be the subject of any enforcement action or ongoing investigation, effectively exonerating him from any allegation of wrongdoing in the matter.” As a point of clarification, we wish to note that while Mr. Mortimore did in fact receive such a notification from the SEC, the SEC’s decision not to pursue an enforcement action did not constitute an “exoneration” of Mr. Mortimore.

Mr. Mortimore enjoys the full support and confidence of ARI's Board of Directors.

⁴ Both documents available under “Corporate Governance” at investor.arinet.com.

PROTECT YOUR INVESTMENT!

YOUR VOTE IS IMPORTANT FOR THE FUTURE OF ARIS

Your vote at the upcoming Annual Meeting is important in shaping our future, no matter how many shares you own. We are asking for your support by voting the **WHITE** proxy card or voting instruction form to **VOTE FOR BOTH** of your Board's highly-qualified and experienced nominees to ensure that ARIS continues its successful plan to build long-term shareholder value. Whether or not you plan to attend the Annual Meeting, we urge you to sign, return and date the enclosed **WHITE** proxy card or voting instruction form today in the postage-paid envelope provided. If you are voting by phone or Internet, please follow the instructions on the enclosed **WHITE** voting instruction form. Please vote each and every **WHITE** proxy card or voting instruction form you receive since you may hold multiple accounts.

We also urge you to discard any blue proxy card or voting instruction form that you may receive from Park City. Even a WITHHOLD vote with respect to Park City's nominees on its blue proxy card or voting instruction form will cancel any proxy or voting instruction form previously given to ARIS.

We ask you to VOTE the **WHITE proxy card today in favor of your Board's highly-qualified and very experienced nominees who will be committed to executing on a strategic plan that has already delivered increased growth, increased profitability and achieved 299% shareholder returns over the last five years.**

We thank you for your continued support and look forward to communicating further with you in the coming weeks.

Sincerely,

The Board of Directors
ARI Network Services, Inc.

If you have any questions, or require assistance with your vote, please contact our proxy solicitor:

Morrow Sodali
470 West Avenue
Stamford, CT 06902

Banks and Brokerage Firms Call: 203.658.9400
Shareholders Call Toll Free: 800.622.5200

Important Additional Information

ARI has filed a definitive proxy statement on Schedule 14A (the Proxy Statement) with the Securities and Exchange Commission (SEC) in connection with its Board of Directors' solicitation of proxies to vote in favor of the directors nominated by the Board and to vote on the other matters described therein and any other matters that properly come before the 2017 Annual Meeting of Shareholders. On November 28, 2016, ARI commenced the mailing of the Proxy Statement and a **WHITE** proxy card to each ARI shareholder entitled to vote at the Annual Meeting. ARI has engaged Morrow Sodali (Morrow) to assist it in soliciting proxies from its shareholders. ARI has agreed to pay customary compensation to Morrow for such services and to indemnify Morrow and certain related persons against certain liabilities relating to or arising out of the engagement. Directors and certain officers of ARI may solicit proxies, although they will receive no additional compensation for such services. Information regarding securities ownership by the Board of Directors and certain members of management as of October 28, 2016, is contained in the Proxy Statement. ARI shareholders should read the Proxy Statement (including any amendments or supplements thereto) because these documents contain (or will contain) important information. The Proxy Statement and other public

filings made by ARI with the SEC are available without charge from the SEC's website at sec.gov and from ARI at <http://investor.arinet.com>.

About ARI

ARI Network Services, Inc. (ARI) (NASDAQ: [ARIS](#)) offers an award-winning suite of SaaS, software tools, and marketing services to help dealers, equipment manufacturers and distributors in selected vertical markets Sell More Stuff!™ – online and in-store. Our innovative products are powered by a proprietary data repository of enriched original equipment and aftermarket electronic content spanning more than 17 million active part and accessory SKUs and 750,000 equipment models. Business is complicated, but we believe our customers' technology tools don't have to be. We remove the complexity of selling and servicing new and used vehicle inventory, parts, garments and accessories (PG&A) for customers in the automotive tire and wheel aftermarket, powersports, outdoor power equipment, marine, home medical equipment, recreational vehicles and appliance industries. More than 23,500 equipment dealers, 195 distributors and 3,360 brands worldwide leverage our web and eCatalog platforms to Sell More Stuff!™ For more information on ARI, visit investor.arinet.com.

Additional Information

- Follow @ARI_Net on Twitter: twitter.com/ARI_Net
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- Join us on G+: plus.google.com/117293073211296447579
- LinkedIn: linkedin.com/company/ari_2
- Read more about ARI: investor.arinet.com/about-us

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Forward-Looking Statements

Certain statements in this news release contain "forward-looking statements" regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933. All statements other than statements of historical facts are statements that could be deemed to be forward-looking statements. These statements are based on current expectations, estimates, forecasts, and projects about the markets in which we operate and the beliefs and assumptions of our management. Words such as "expects," "anticipates," "targets," "goals," "projects", "intends," "plans," "believes," "seeks," "estimates," "endeavors," "strives," "may," or variations of such words, and similar expressions are intended to identify such forward-looking statements. Readers are cautioned that these forward-looking statements are subject to a number of risks, uncertainties and assumptions that are difficult to predict, estimate or verify. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. Such risks and uncertainties include those factors described in Part 1A of the company's most recent annual report on Form 10-K, as such may be amended or supplemented by subsequent quarterly reports on Form 10-Q, or other reports filed with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements are made only as of the date hereof, and the company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements. For more information, please refer to the company's filings with the Securities and Exchange Commission.

For media inquiries, contact:

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