

# January-September 2004, Interim Report

October 22nd, 2004

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# Stonesoft Corporation

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# Results for January-September 2004

- Net sales EUR 16.1 millions, a decrease of -3% compared to January-September 2003.
- StoneGate sales were EUR 4.4 millions, an increase of +21% compared to Jan-Sept 2003.
- StoneBeat sales totaled EUR 0.7 millions, a decrease of -51% compared to Jan-Sept 2003.
- Operating loss (EBITA) of EUR -7.6 millions, comparable loss in Jan-Sept 2003 EUR -12.0 millions.

# Results for July-September 2004

- Net sales EUR 5.3 millions, an increase of +7% compared to Q3/2003.
- StoneGate sales were EUR 1.7 millions, an increase of +55% compared to Q3/2003.
- StoneBeat sales totaled EUR 0.16 millions, a decrease of -50% compared to Q3/2003.
- Operating loss (EBITA) of EUR -2.4 millions, comparable loss in Q3/2003 EUR -3.3 millions.

# Highlights & Other Events Q3

- StoneGate sales is growing faster than last year
- In the light of the actual sales figures from the three past quarters the company sees slightly positive signs in the sales trend
- New CEO nominated in the beginning of August
- Management team has been reorganised
- Cost saving program started in the beginning of August targeting 1 M Euros saves per quarter
- Focusing to primary markets and closing some of the offices
- In September, Stonesoft announced porting the StoneGate firewall & VPN for IBM eServer OpenPower

# Cost Saving Target

- The company believes, that the cost saving target of approximately EUR 1 million per quarter will be reflected in an actual change in the cost level mostly in the last quarter of 2004.
  - However, this change will probably not be seen in the income statement to an equivalent extent, because of a seasonal change amounting to EUR 500,000 in holiday pay reservations .



## Conclusion

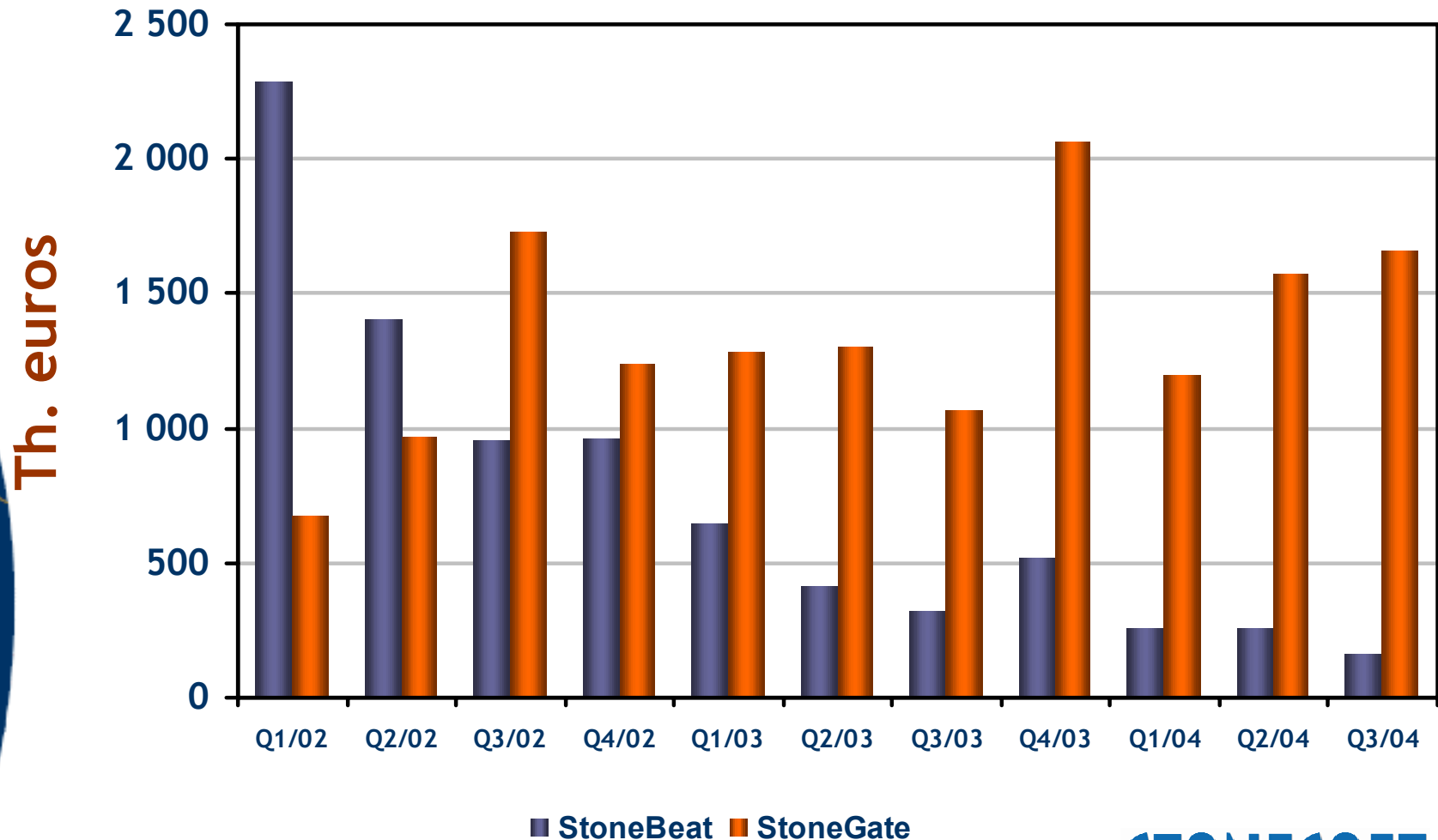
The company believes that, due to the improving prospects for sales and the planned and already executed cost saving measures, EBITA will continue to improve during 2004 and will reach a better level in the second half of the year than in the first half.

# Q3 / 2004 Financials

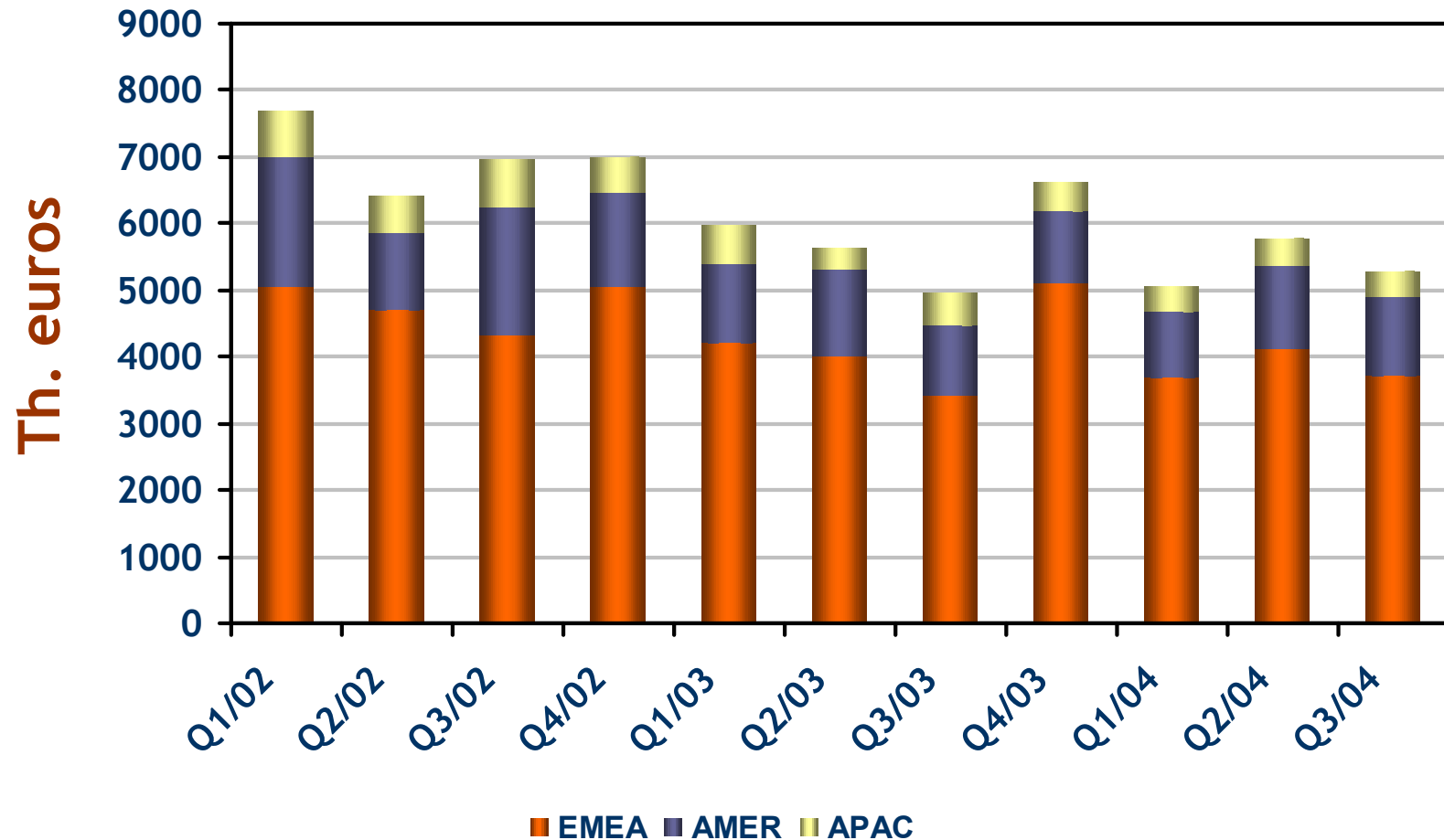
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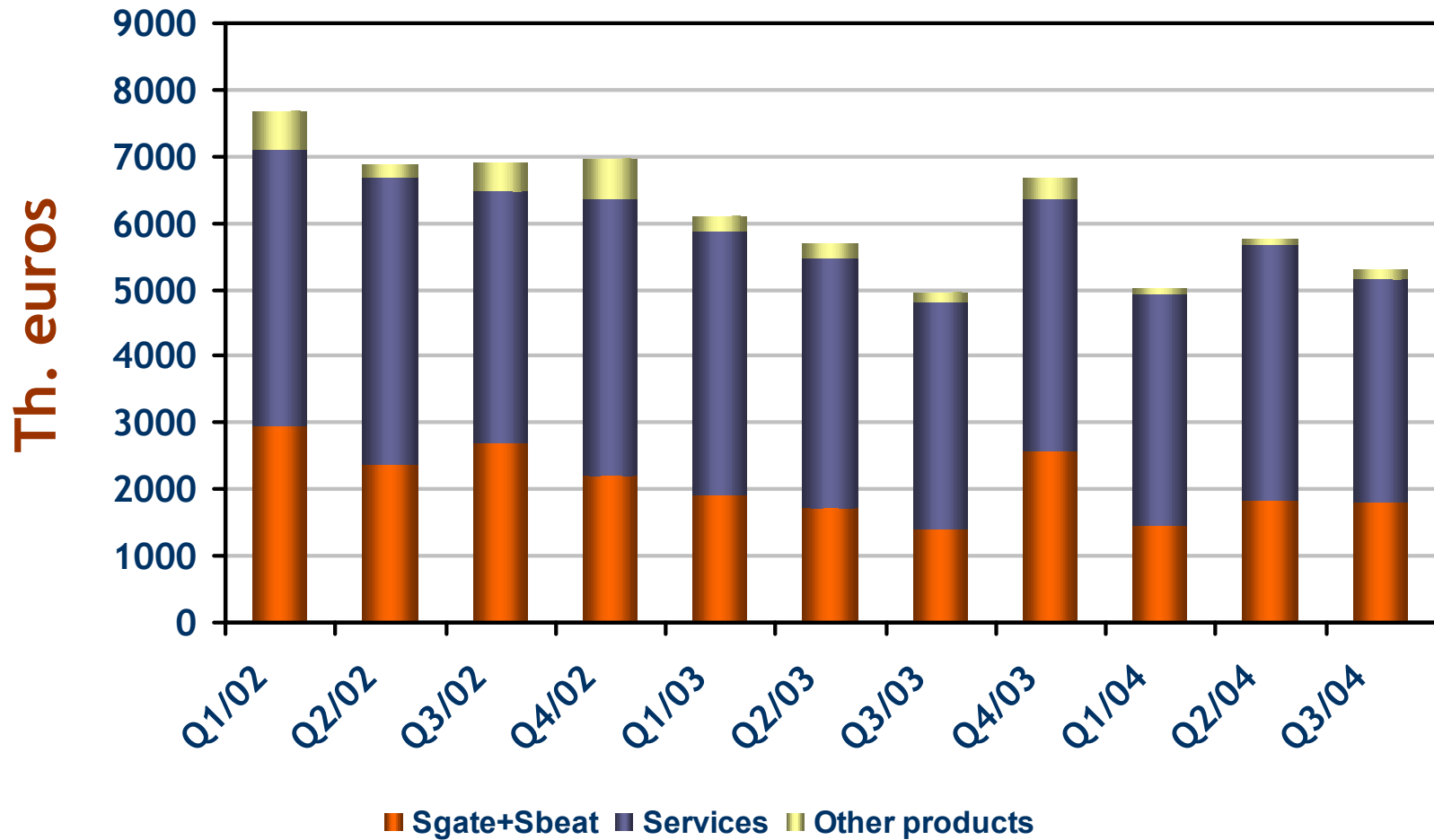
# StoneGate and StoneBeat Sales by Quarter



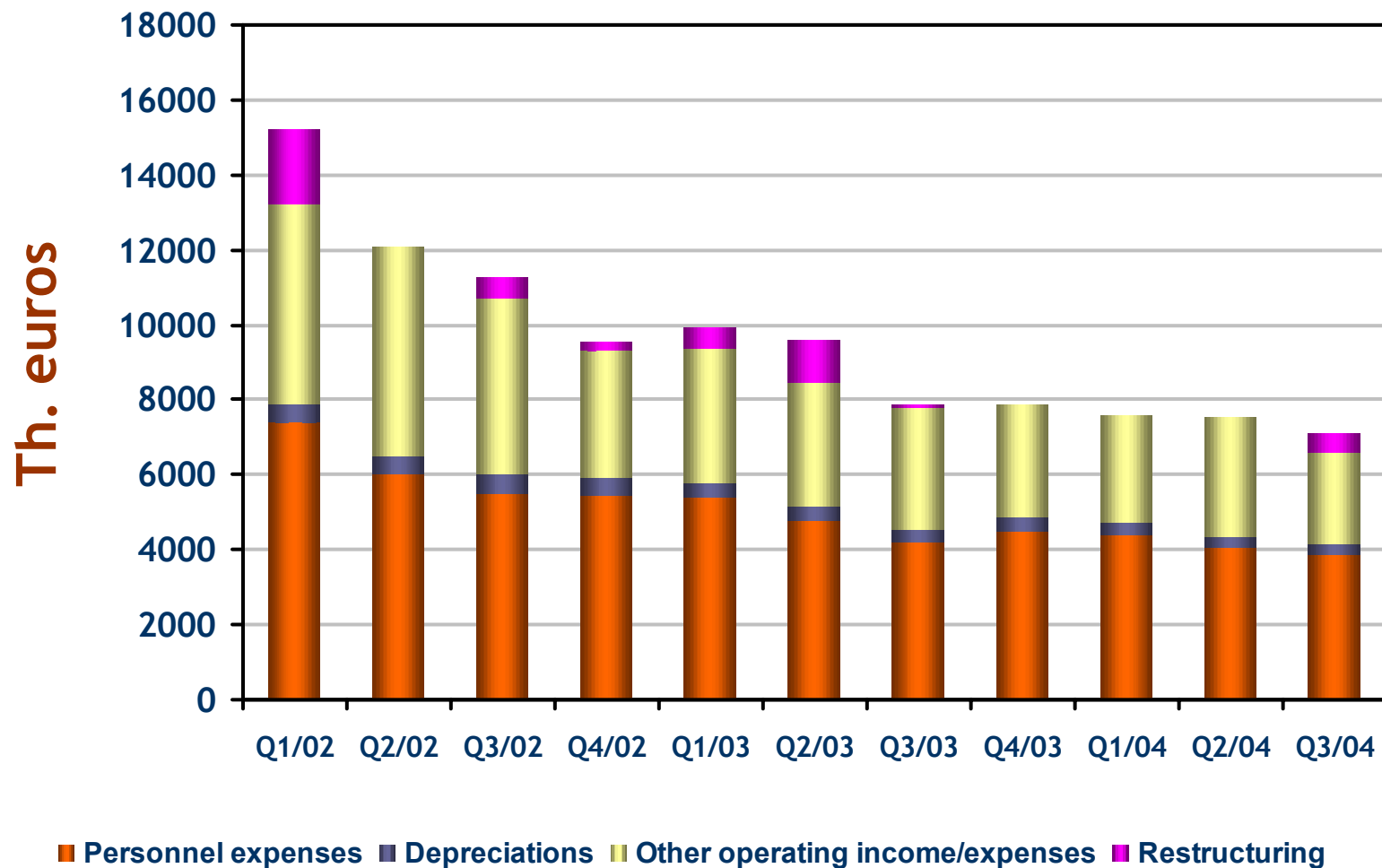
# Net Sales by Area



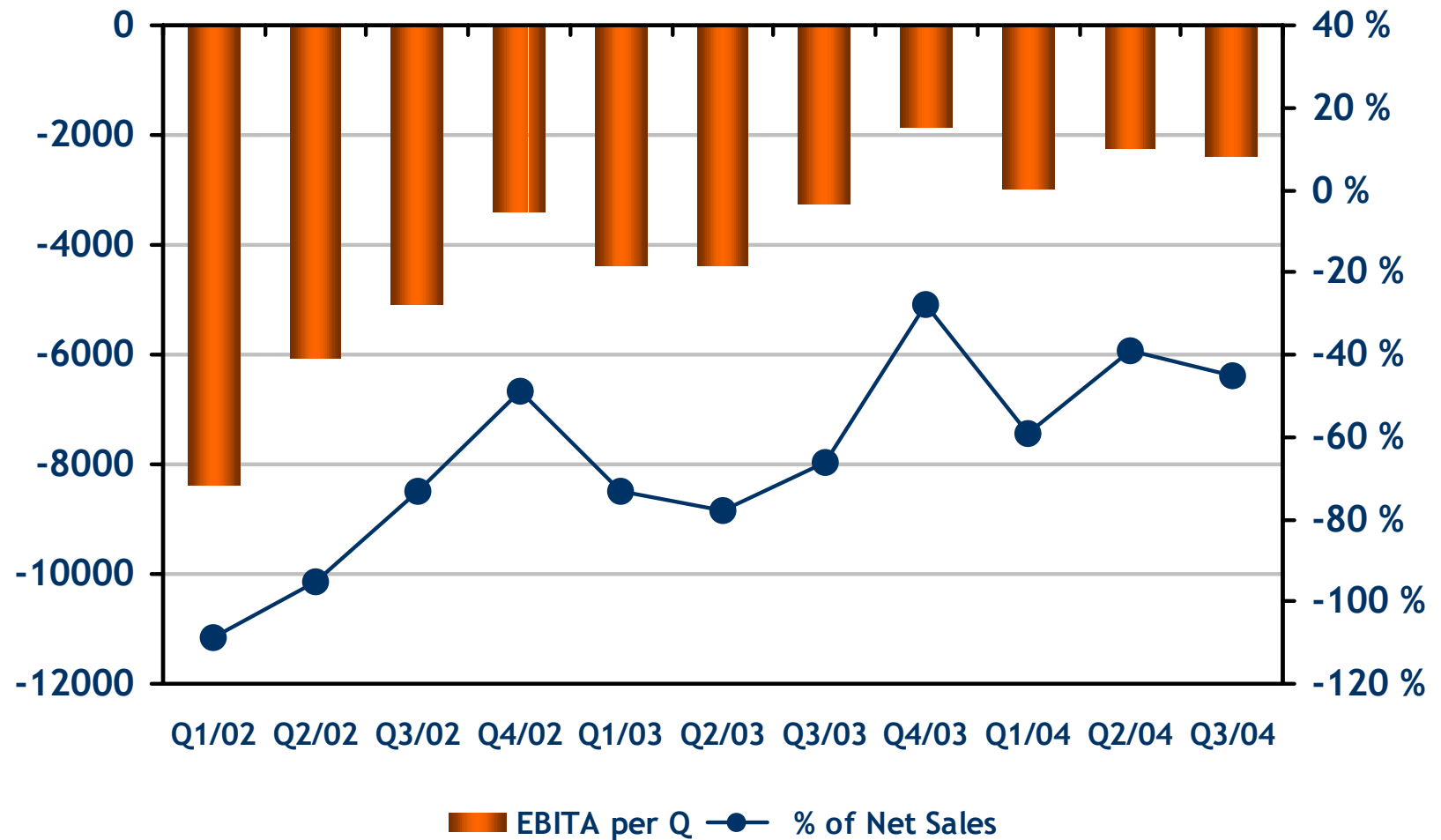
# Sales by Product



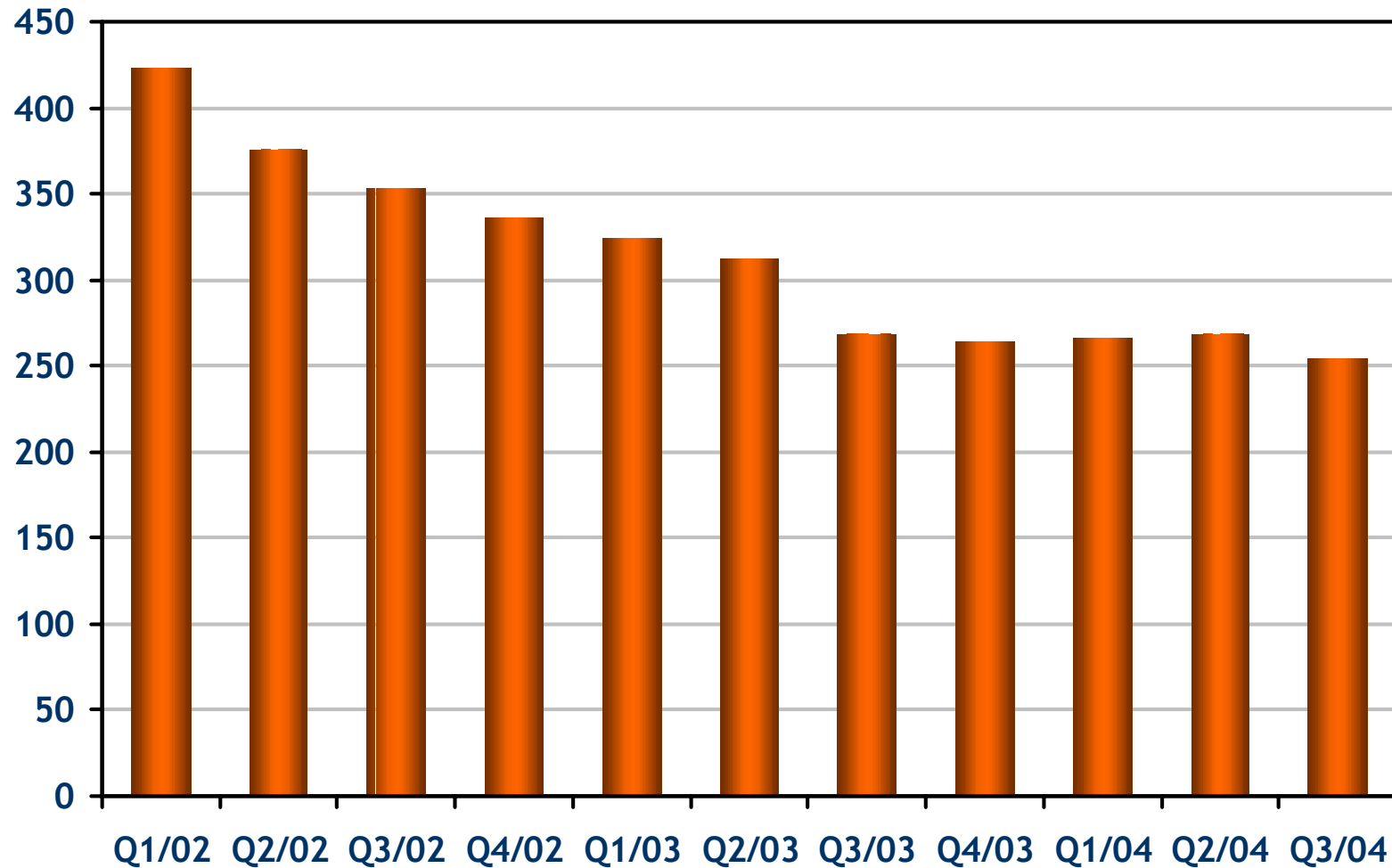
# Operating Costs by Quarter



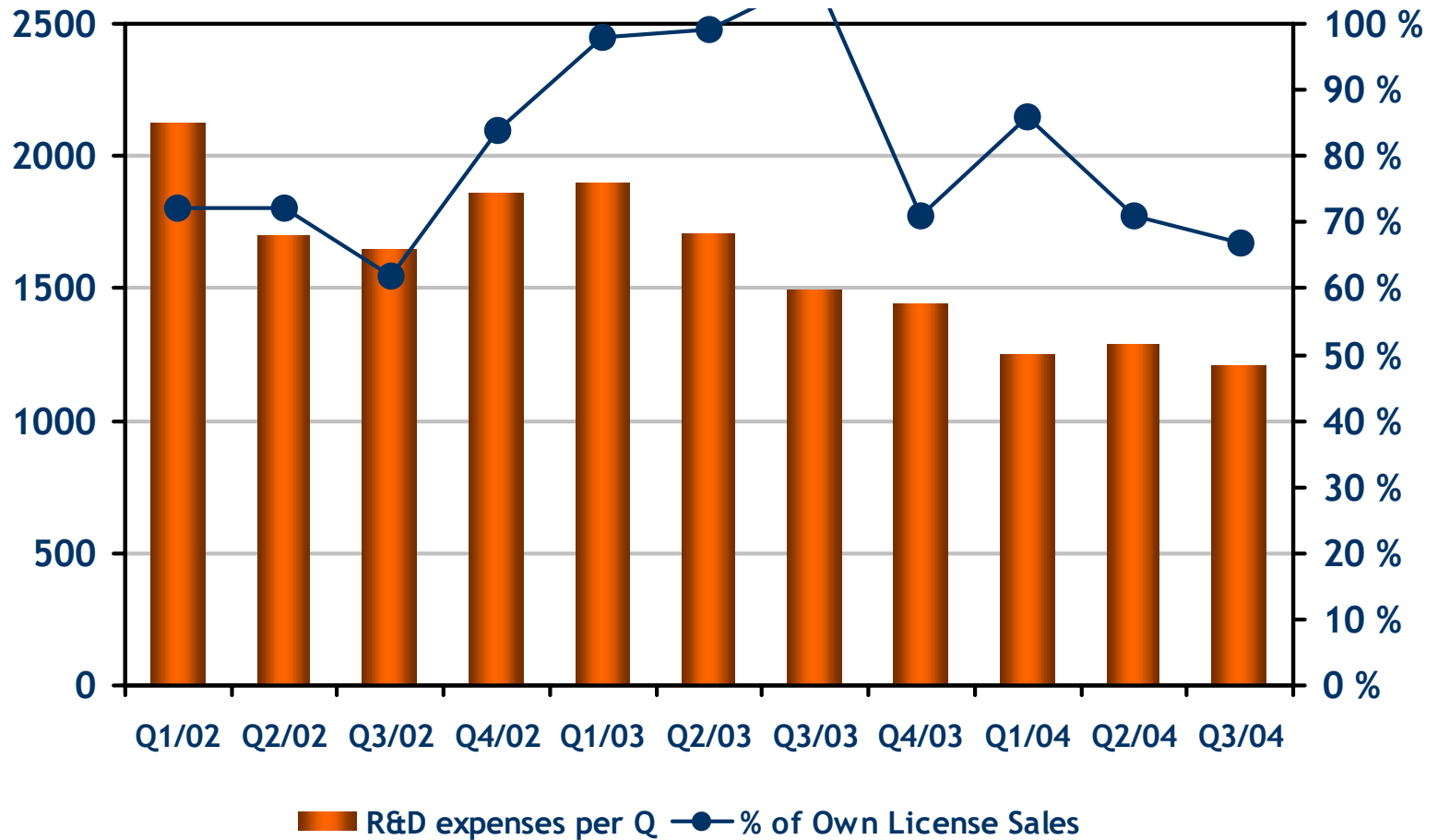
# EBITA by Quarter



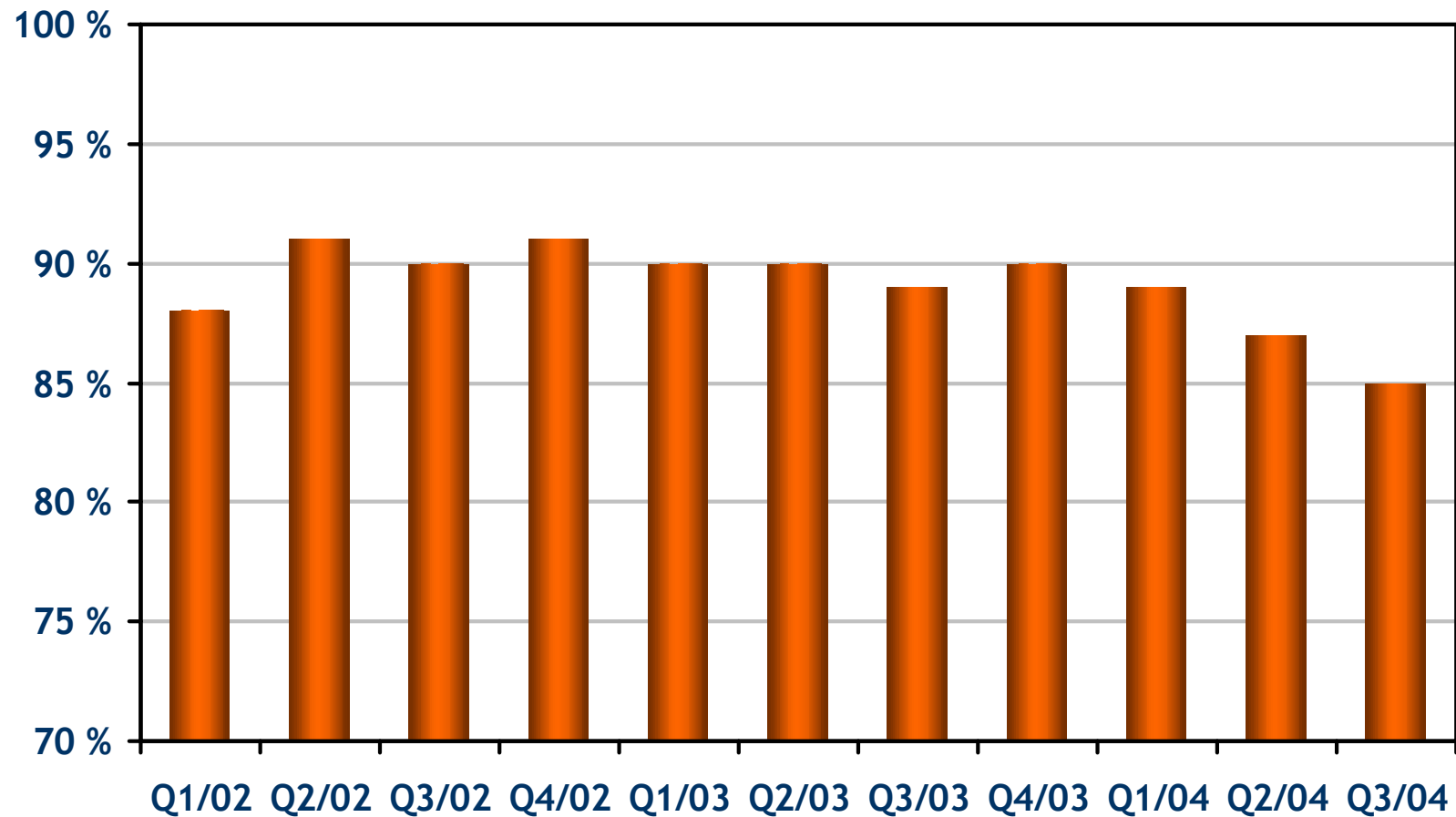
# Personnel in the End of Quarter



# R&D Expenses

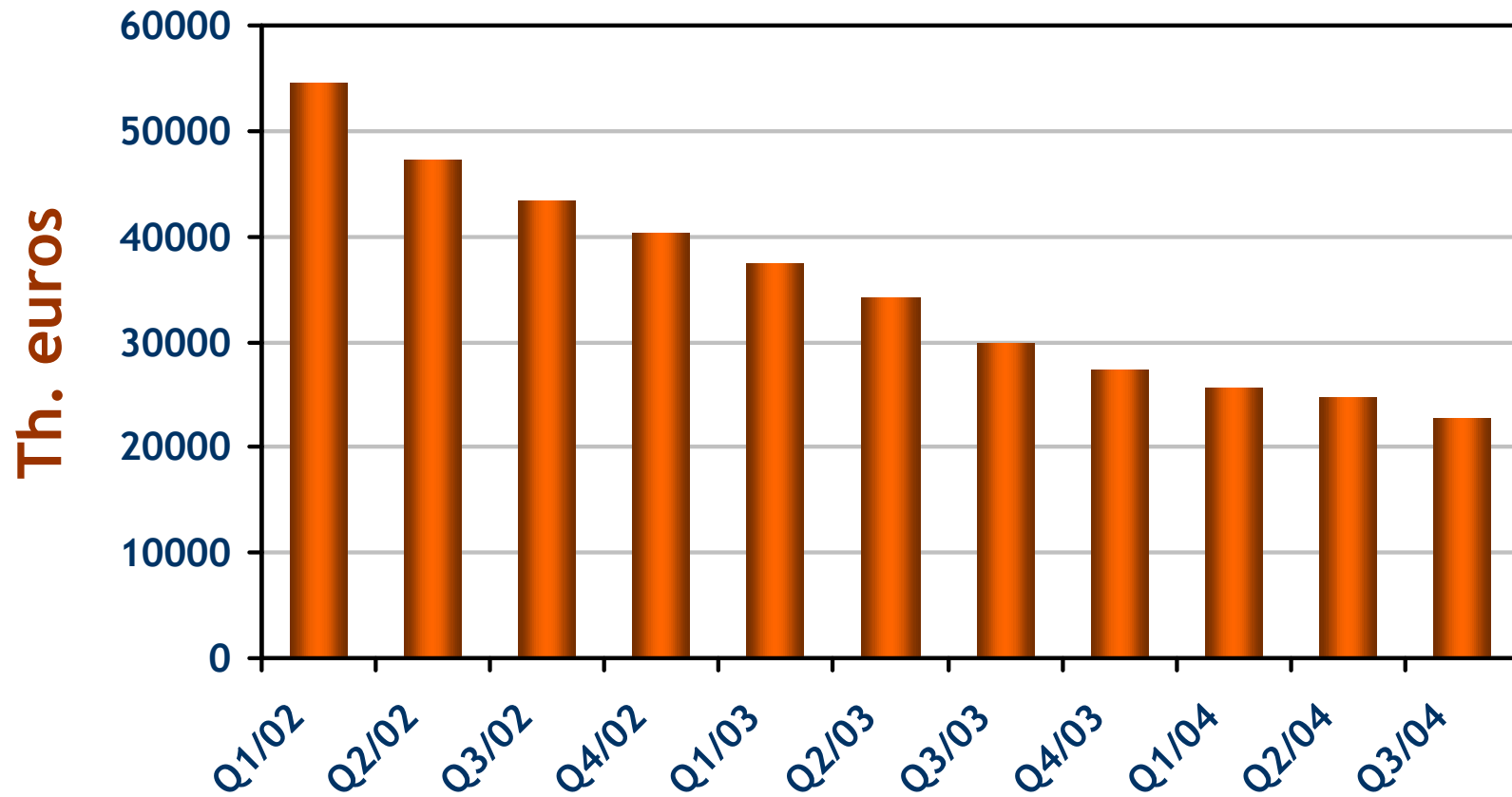


# Equity Ratio in the End of Quarter





# Liquid Funds



# Shareholders Equity/Share

