

# January-September 2005, Interim Report

October 28th, 2005



# Stonesoft Corporation

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# Results for January-September 2005

- Net sales EUR 16.5 millions, an increase of 2 % compared to 2004.
- StoneGate sales were EUR 6.0 millions, an increase of +35% compared to 2004.
- Operating loss (EBITA) of EUR -4.3 millions, a clear improvement compared to the loss in 2004, EUR -7.6 millions.

# Results for July-September 2005

- Net sales EUR 4.7 millions, a decrease of -11% compared to 2004.
- StoneGate sales were EUR 1.6 millions, an decrease of -4% compared to 2004.
- Operating loss (EBITA) of EUR -1.5 millions, an improvement compared to the loss in 2004, EUR -2.4 millions.
- The dip in sales was partially compensated by lower costs

# Highlights Q3

- Stonesoft released large FW/VPN appliance SG-4000 for data centers and large network central sites.
- New channel strategy taking key steps:
  - Siemens Business Services signed a partnership agreement with Stonesoft. The partnership covers Sweden, Norway and Denmark in Scandinavia, Germany, Belgium and Luxembourg in Central Europe.
  - IBM Global Services and Stonesoft extended their relationship to Canada.
  - Fujitsu Services signed contract for Nordics and Baltics

## Highlights Q3 cont...

- 7 new sales executive recruitments:
- Next training session in two weeks time

# Highlights Q3 - IPR

- Stonesoft received a European patent for a fail-safe method of updating remotely a configuration of a firewall.
- In July Stonesoft received a U.S. patent for the VPN (virtual private network) component of the Multi-Link™ technology

# Conclusion

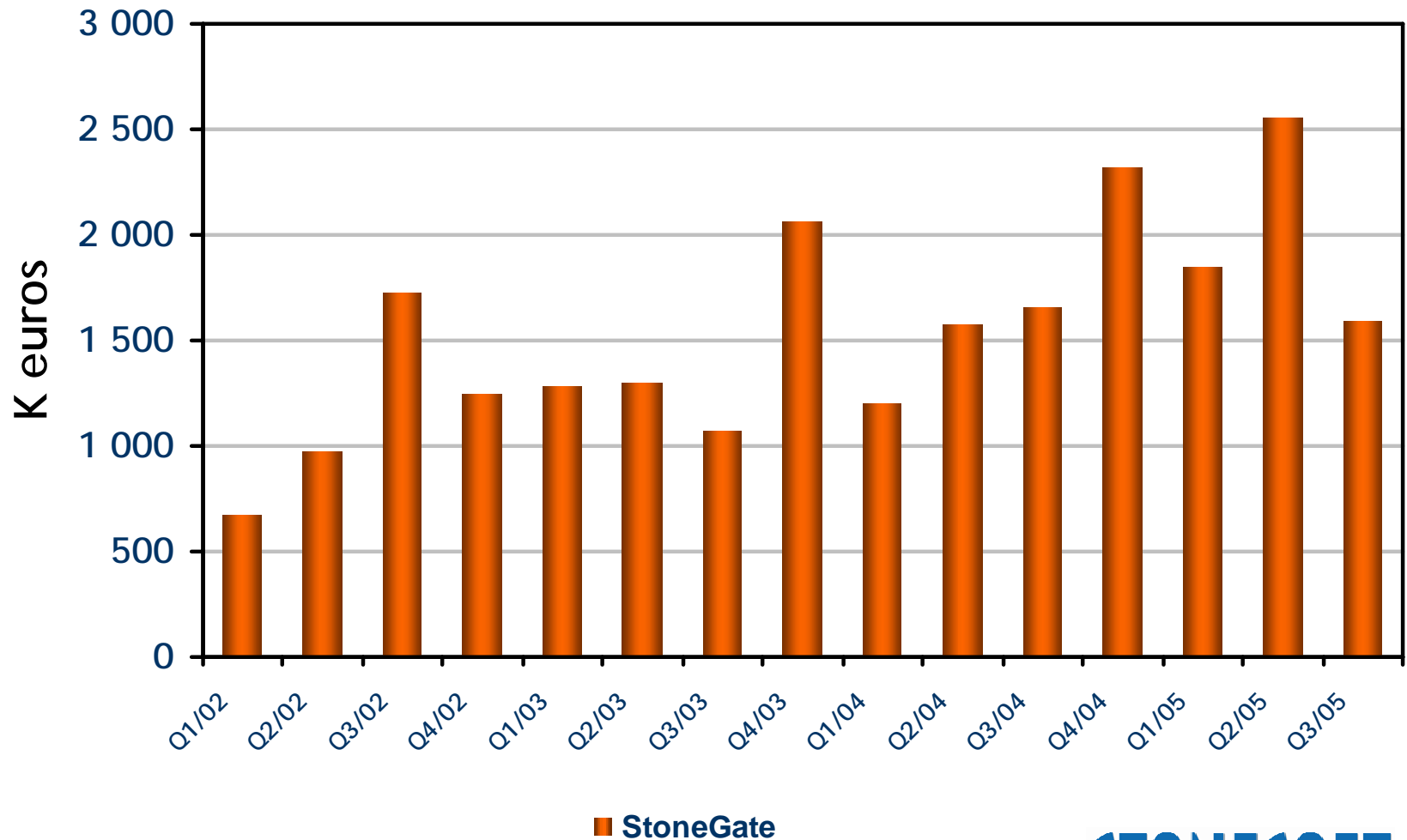
The company restates its earlier estimate according to which the company believes that the expected growth of the sales of Stone Gate products in the last quarter will be at size range of 10 - 30 percent compared with the corresponding period in previous year. However, due to evolving process of a new sales model including large amount of new sales resources in different regions combined with uncertainty of timing for larger deals this growth rate may also be bigger than this estimate.



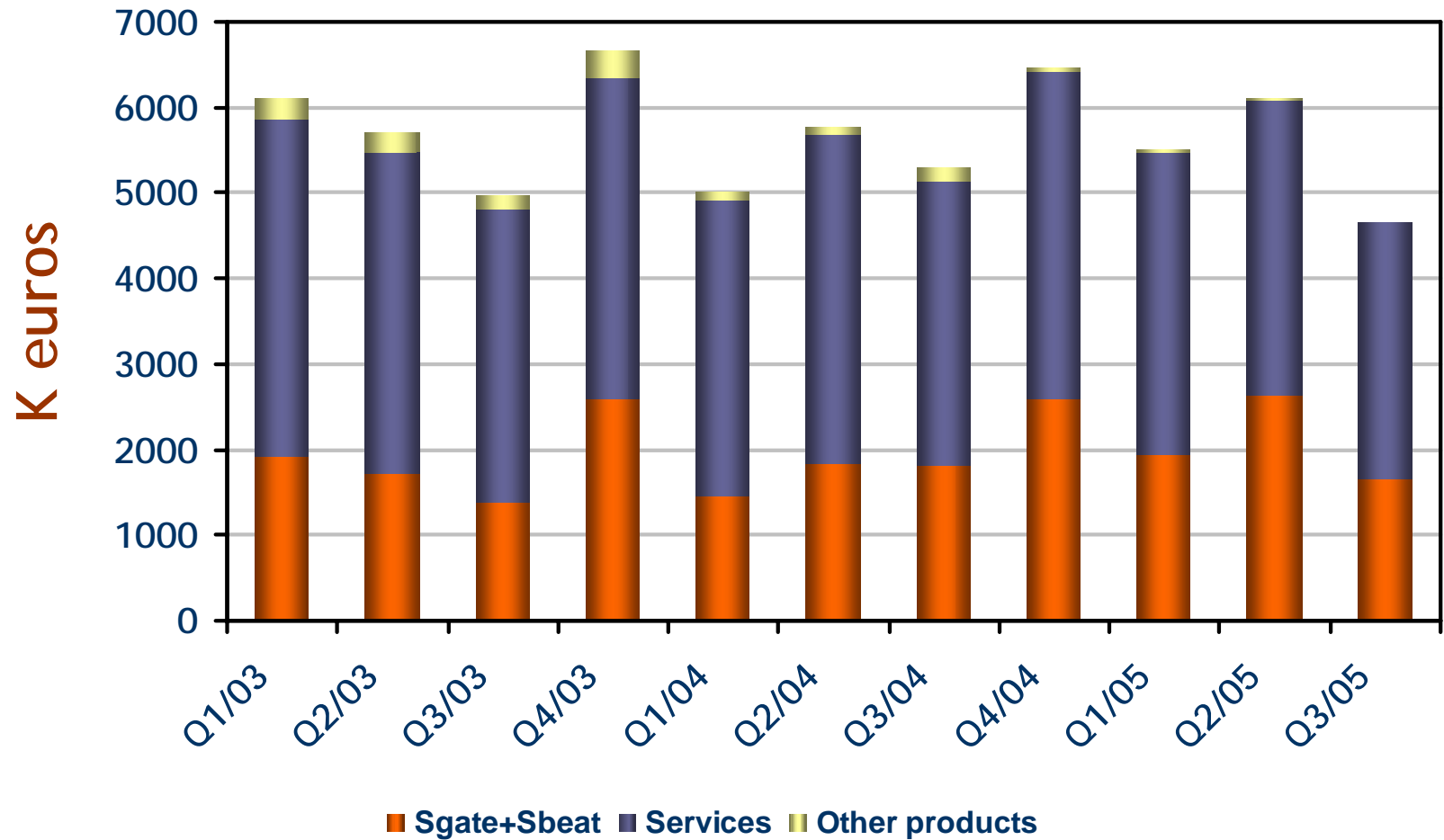
# Q3/2005 Financials



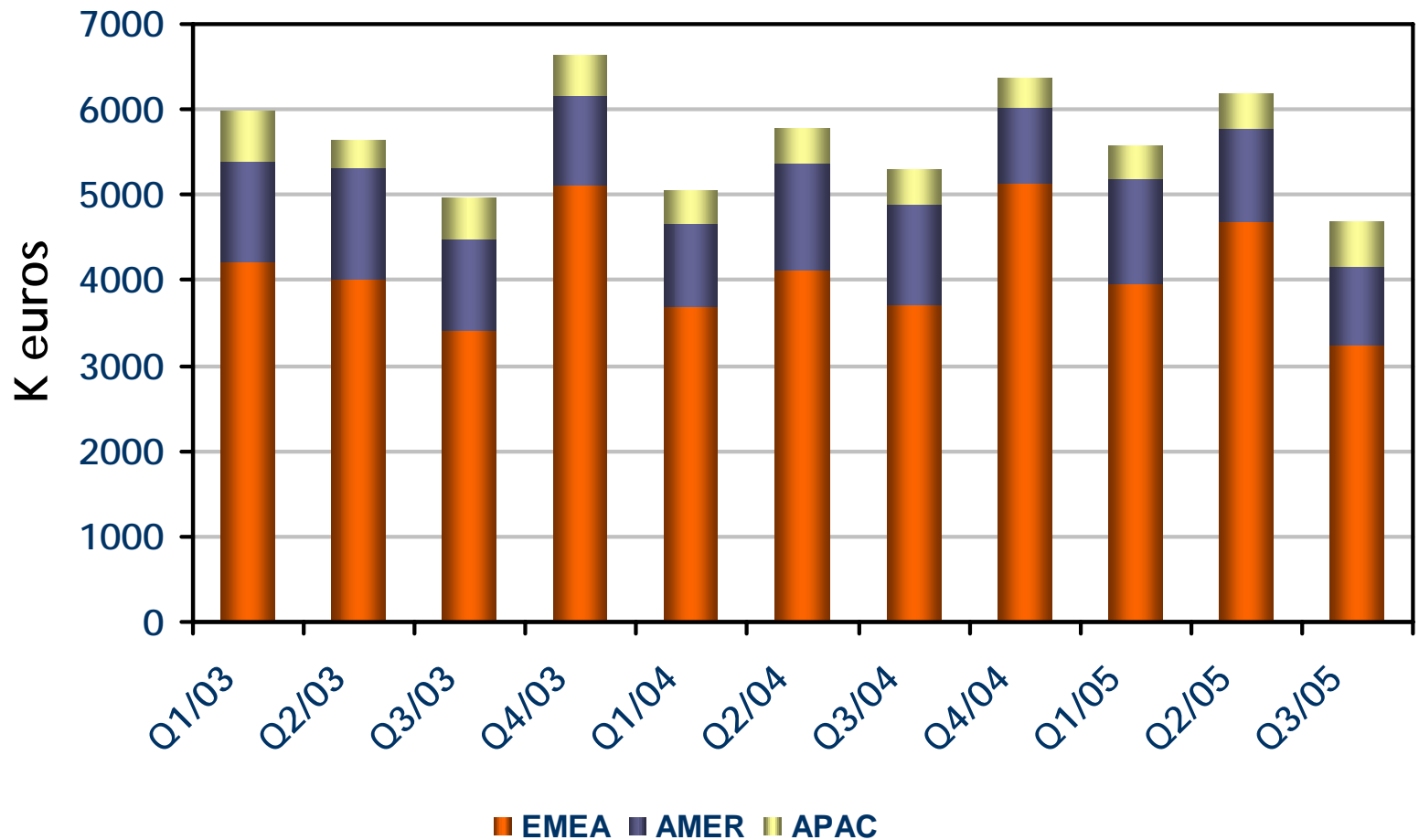
# StoneGate Sales by Quarter



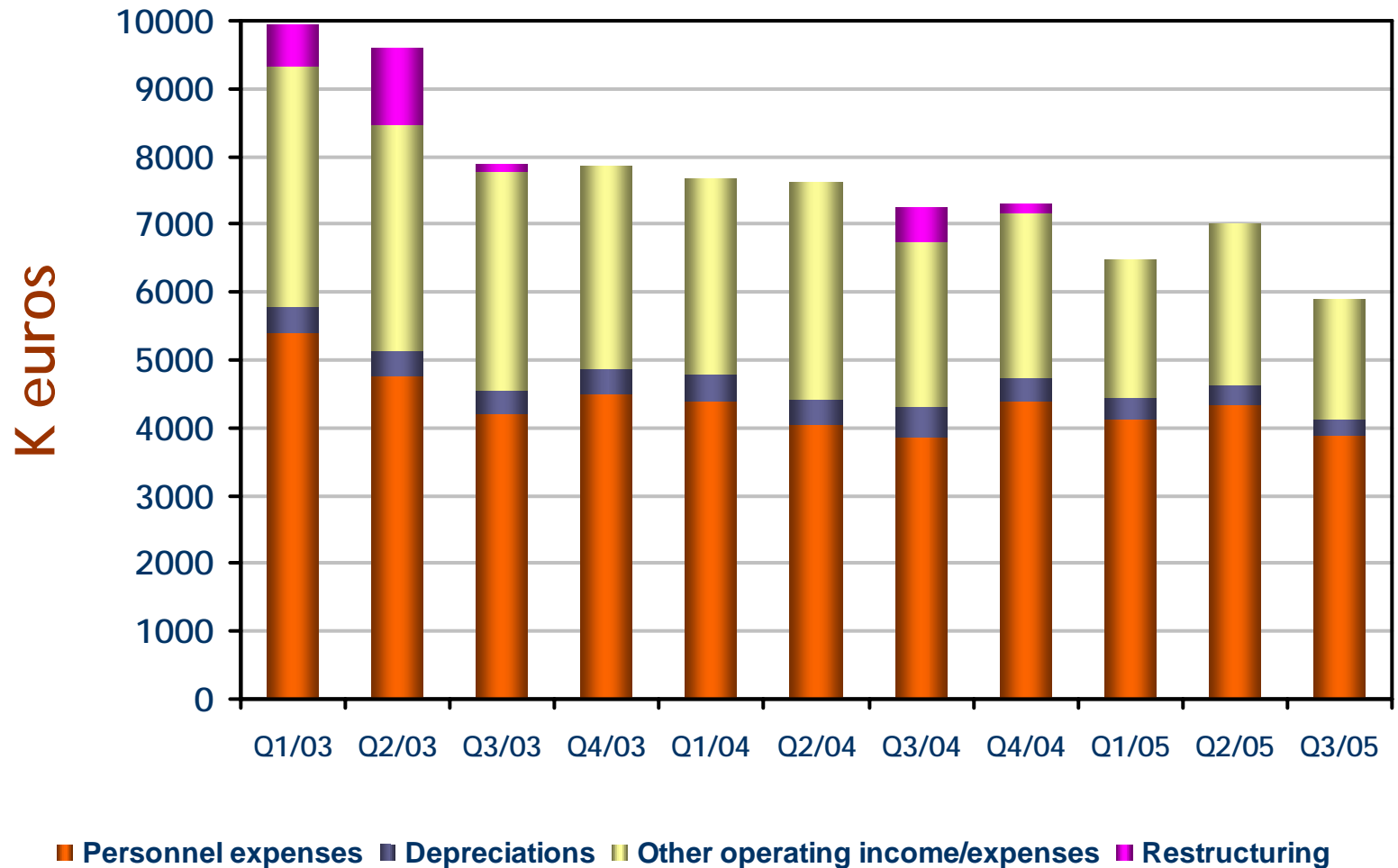
# Sales by Product



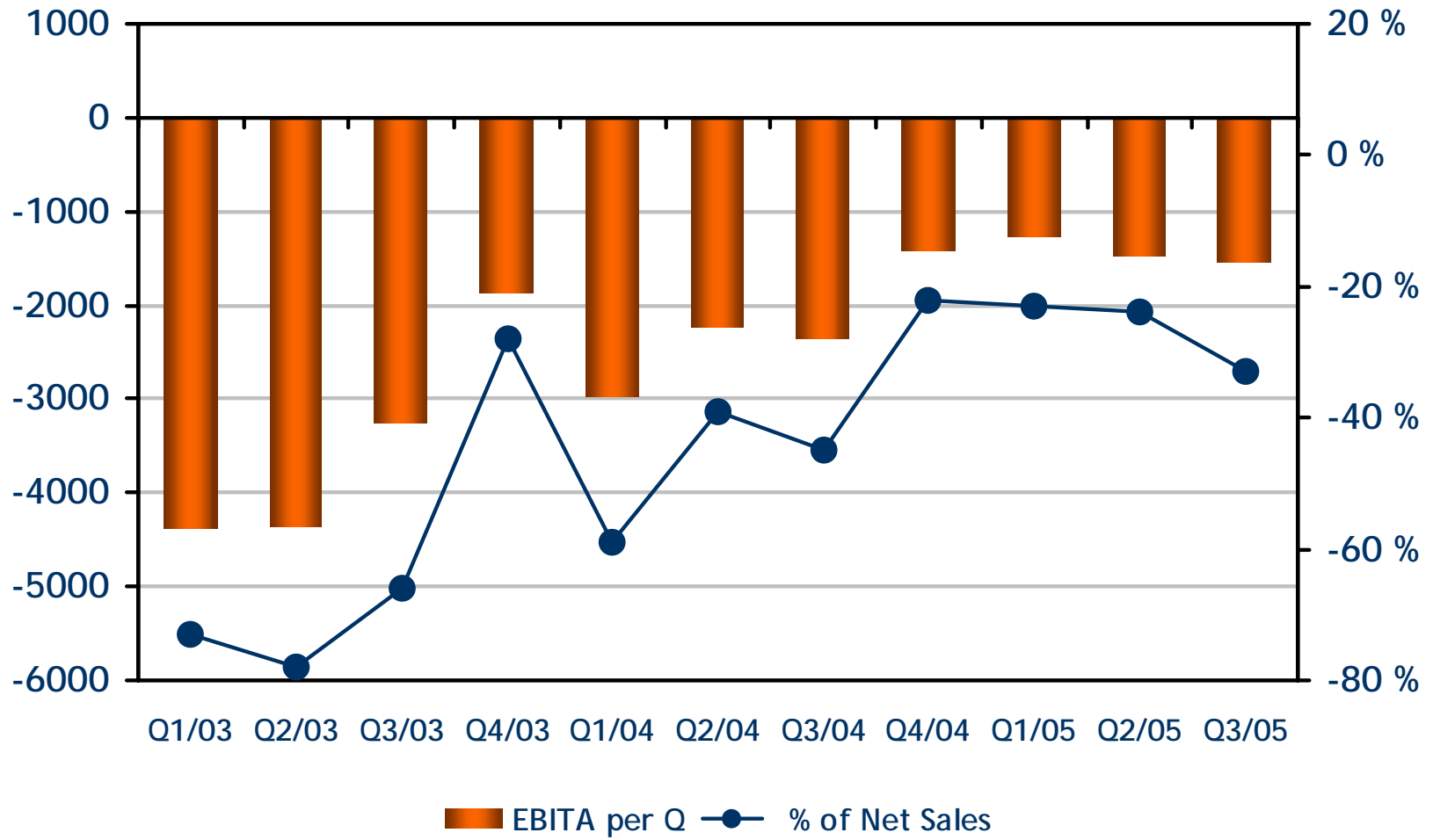
# Net Sales by Area



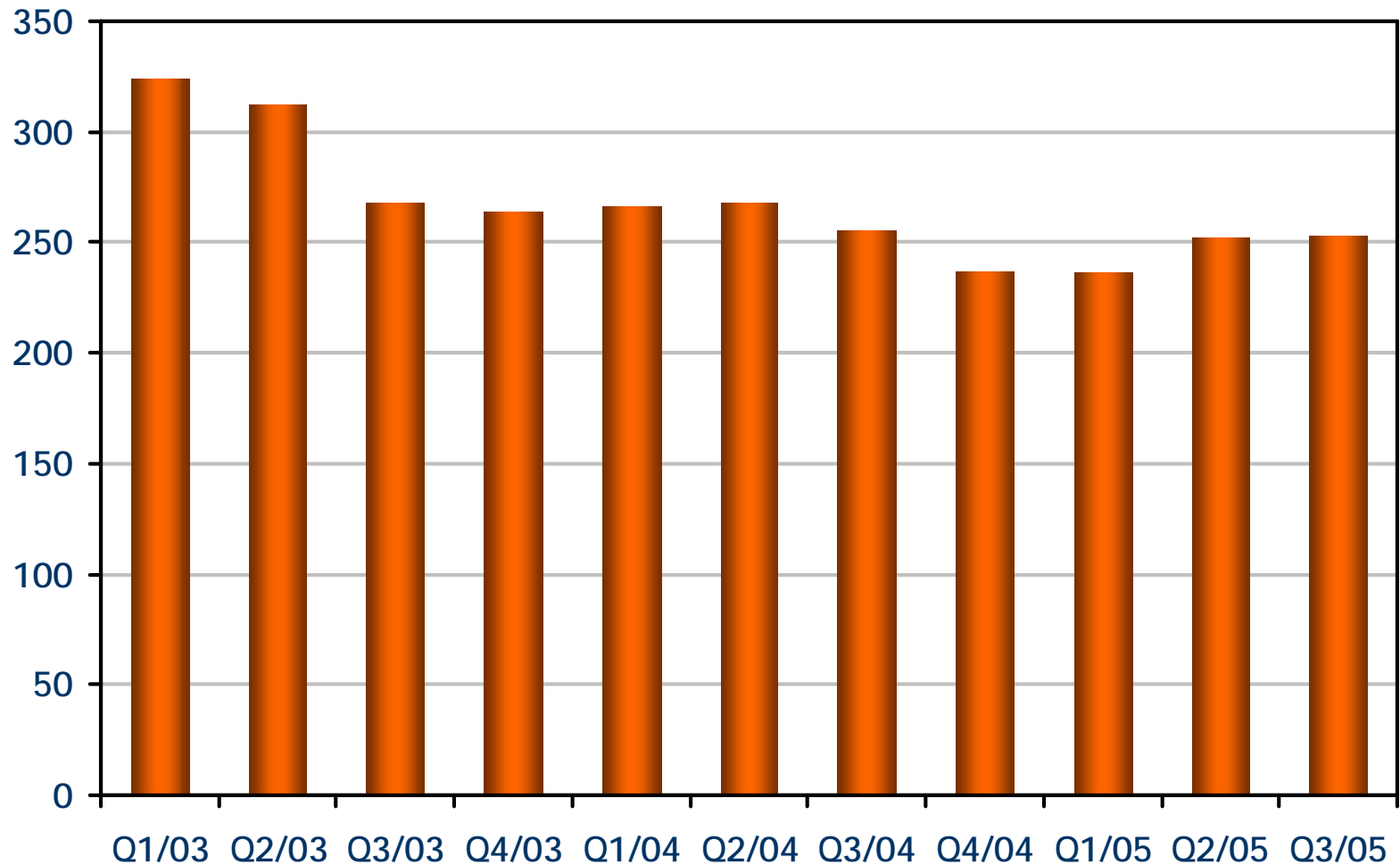
# Operating Costs by Quarter (Q1/04 → IFRS)



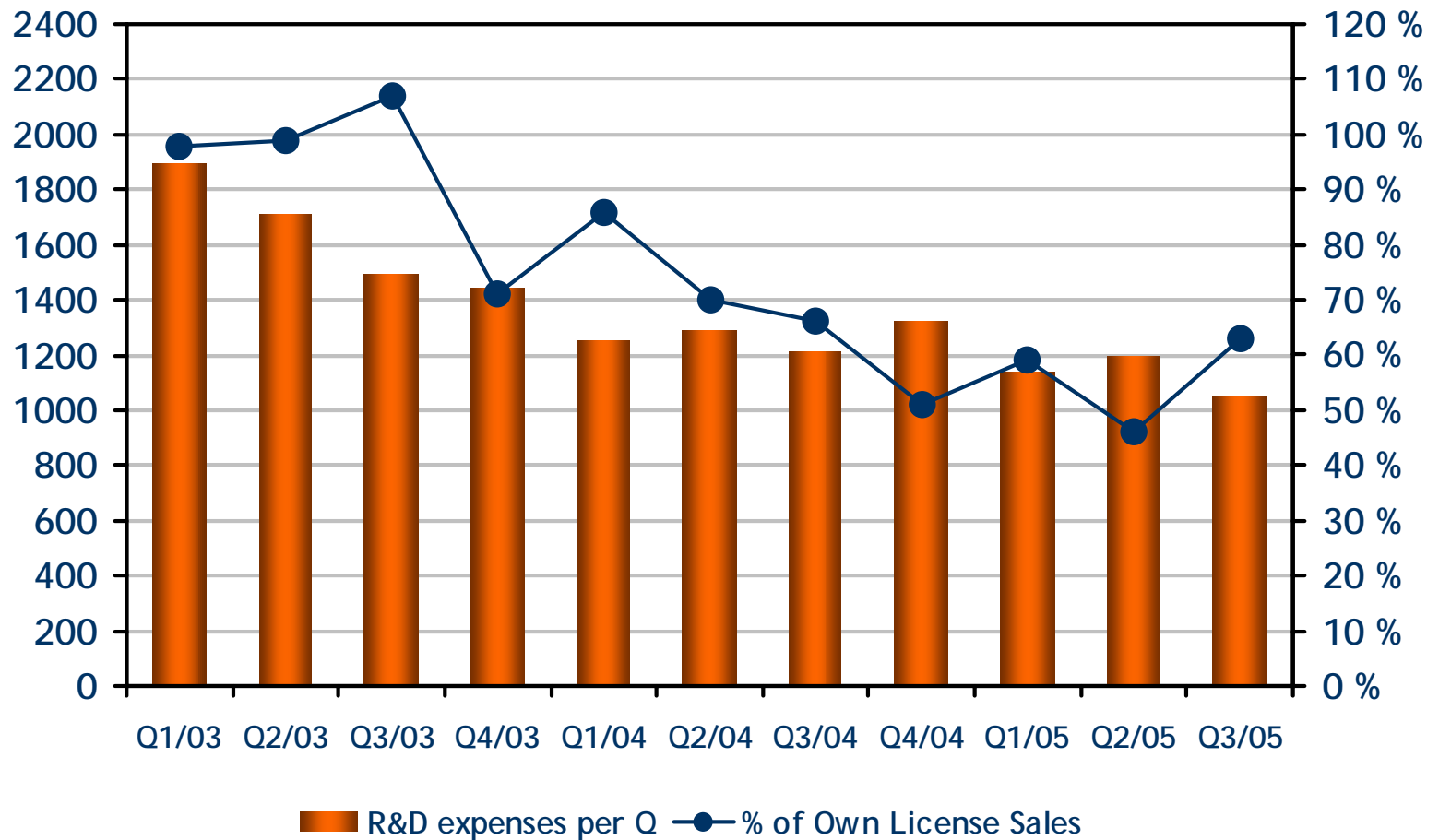
# EBITA by Quarter (Q1/04 → IFRS)



# Personnel at the End of Quarter

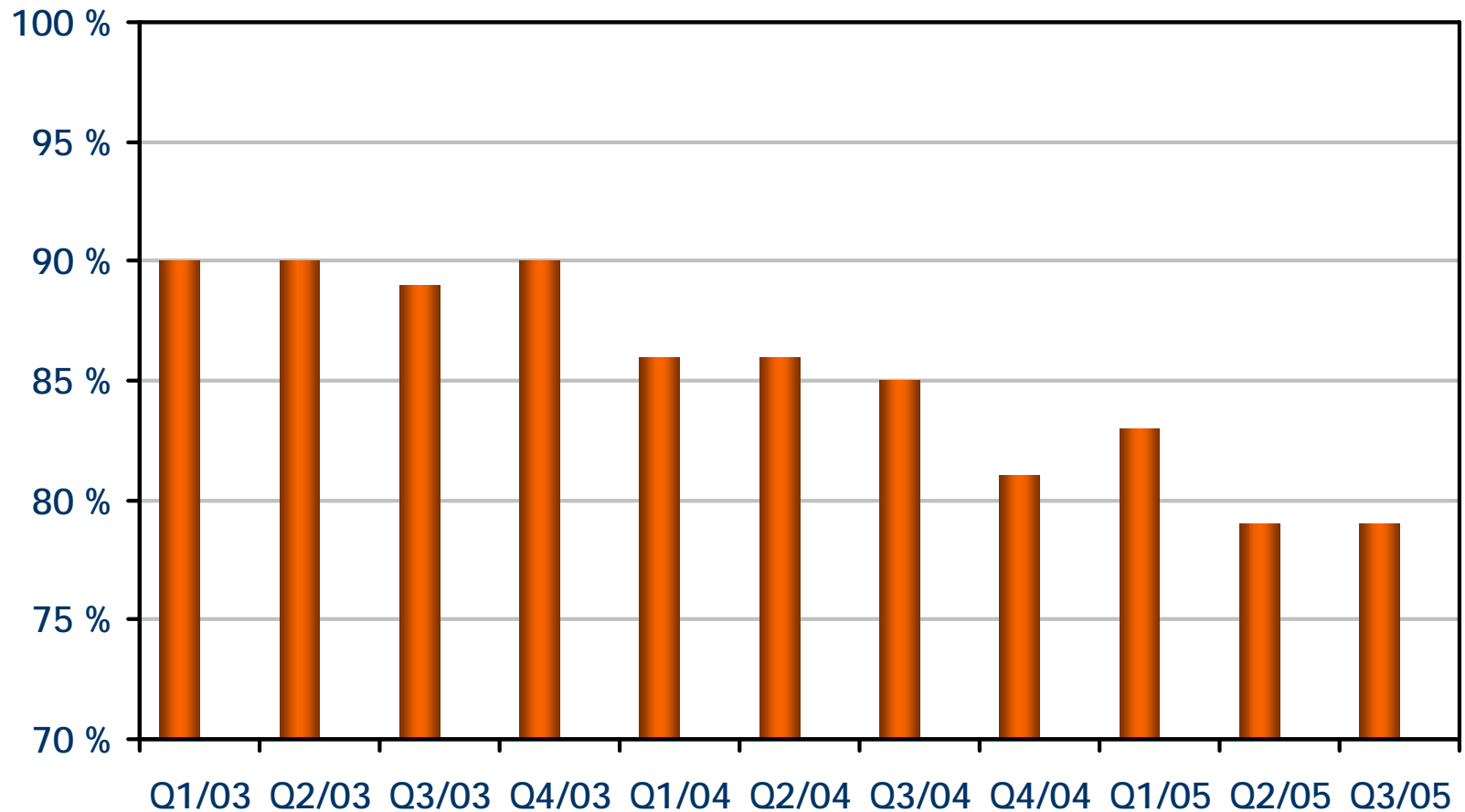


# R&D Expenses (Q1/04 → IFRS)

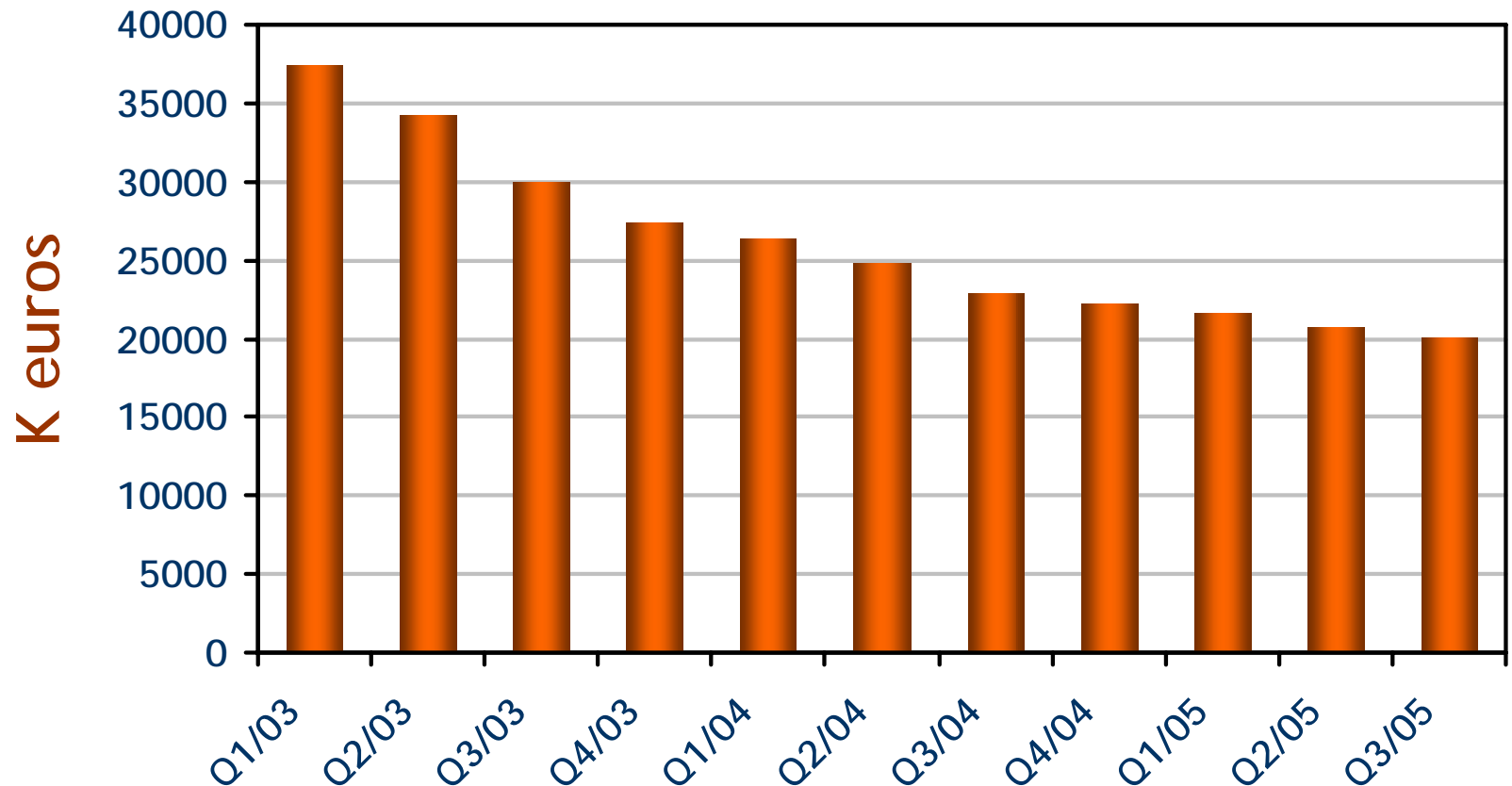




# Equity Ratio in the End of Quarter (Q1/04 → IFRS)



# Liquid Funds (Q1/04 → IFRS)



# Shareholders Equity/Share (Q1/04 → IFRS)

