

## January-September 2008, Interim Report



October 23rd, 2008

Slide 1

Copyright © 2008 Stonessoft Corporation. All rights reserved.

## Stonesoft Corporation

- Information on this presentation contains forward-looking statements based on current expectations that involve a number of risks and uncertainties
- The content of the presentation is only a summary of the company's performance
- The company makes no representation or warranty as to the continued accuracy, content or reliability of this data and states no obligation to update the data included in this presentation, as operational changes may occur over time
- The content of this presentation is copyright of Stonessoft Corporation 2008. All rights reserved. Reproduction, transfer, distribution or storage of part or all of the contents in any form without prior written permission of the company is prohibited

Slide 2

Copyright © 2008 Stonessoft Corporation. All rights reserved.

**Results for July-September 2008**

- Net sales EUR 5.9 millions, +45% compared to the corresponding period in 2007 (4.0).
- StoneGate sales were EUR 3.3 millions, an increase of 64% compared to the corresponding period in 2007 (2.0).
- Operating loss (EBITA) of EUR –0.5 millions, a significant improvement compared to the loss of –1.6 millions in the corresponding period in 2007.
- The operational cash flow was 0.6 million negative, compared to the –1.8 of the corresponding period in 2007. The liquid assets totalled 7.3 millions at the end of the reporting period.

**Results for January-September 2008**

- Net sales EUR 17.5 millions, +32% compared to the corresponding period in 2007 (13.2).
- StoneGate sales were EUR 10.5 millions, an increase of 50% compared to the corresponding period in 2007 (7.0).
- Operating loss (EBIT) of EUR –2.1 millions, compared to the loss of –5.3 millions in the corresponding period in 2007. A clear improvement in profitability. The improvement is expected to continue.
- The operational cash flow was 1.7 millions negative, a healthy improvement compared to the –5.2 of the corresponding period in 2007.

## Highlights of the 3rd quarter 2008

- Excellent growth in Stonegate sales
- Signing agreement with Algeria Telecom
- VMware certification of virtual appliances
- Introduction of IPS as virtual appliance
- Almost 2 million USD order from Russian telecom operator
  - Mostly delivered during Q4

## Future Outlook

- In spite of the positive development of the operating result brought along by the strong growth of the sales during this year and the present strong sales pipeline, the company does at this stage not consider it justified to adjust its previous estimate regarding the development of the annual operating result (EBIT), due to the general economic uncertainty that has increased in the market. Instead, the company considers it appropriate to adjust its previous estimate on the operative result.
- Based on the above, the company renews its previous estimate whereby the company expects to have an annual overall net sales of roughly EUR 24 million (+/- 10%) while the comparable net sales figure during the previous financial year was EUR 19.0 million, and adjusts its previous estimate on the development of its result as follows: the annual operating result (EBIT) is expected to improve by EUR 3.5 - 4.5 million compared to the previous year. In its previous estimate the company estimated its annual operating result (EBIT) to improve by EUR 2.5 - 4.5 million. Also the cash flow is expected to develop favorably.

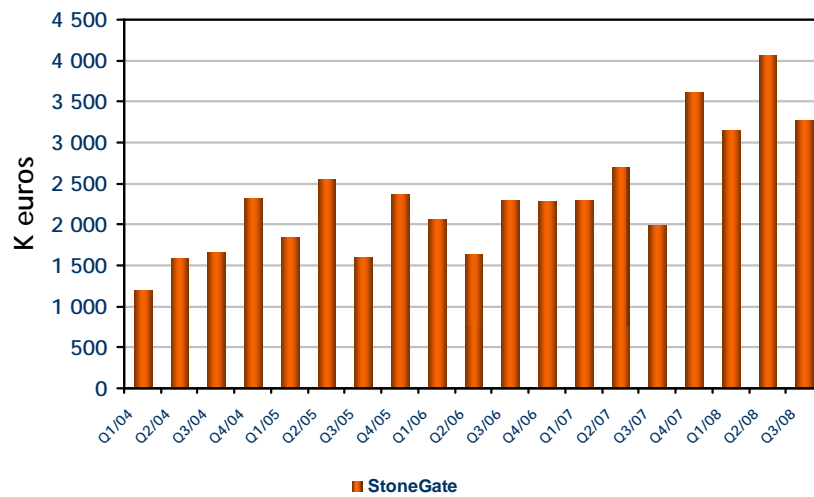
## Q3/2008 Financials

- All comparative numbers exclude discontinued operations in historic data with the exception of
  - Equity rate at the end of quarter
  - Liquid funds
  - Shareholders equity per share

Slide 7

Copyright © 2008 Stonessoft Corporation. All rights reserved.

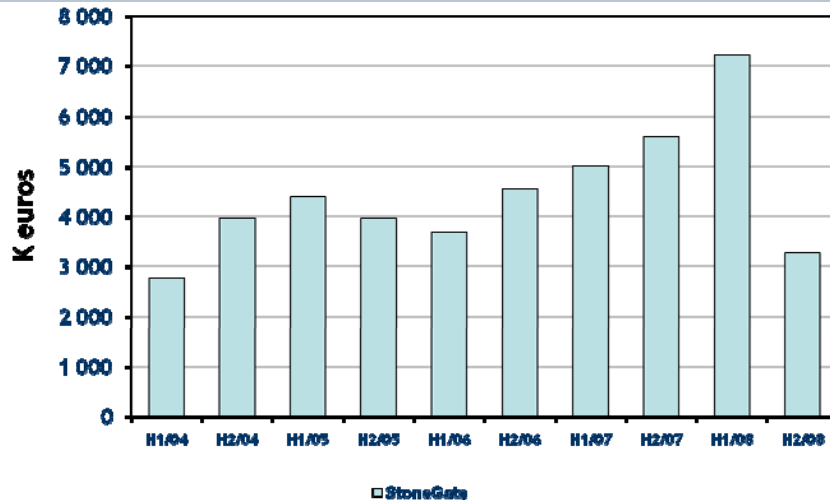
## StoneGate Sales by Quarter



Slide 8

Copyright © 2008 Stonessoft Corporation. All rights reserved.

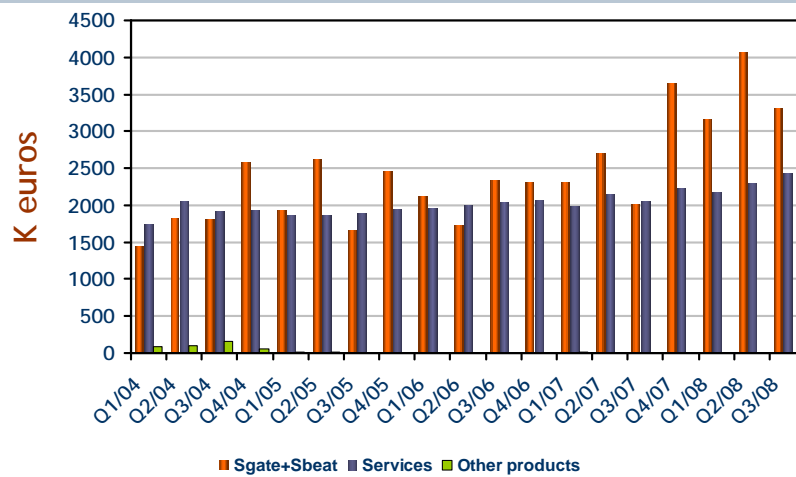
## StoneGate Sales by Half Year



Slide 9

Copyright © 2008 Stonessoft Corporation. All rights reserved.

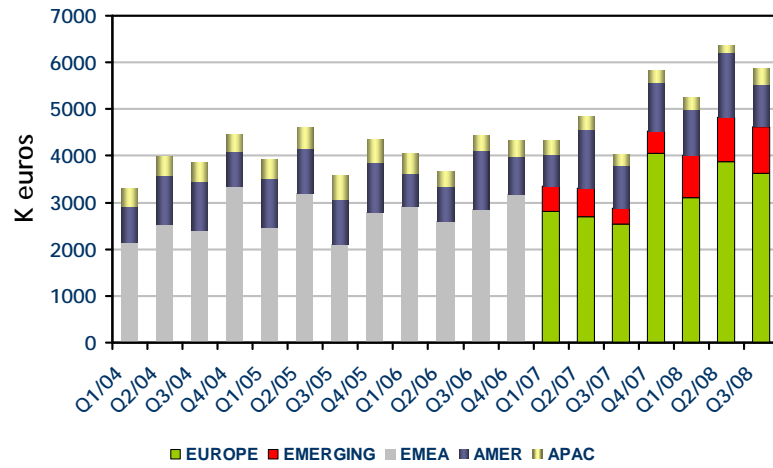
## Sales by Product



Slide 10

Copyright © 2008 Stonessoft Corporation. All rights reserved.

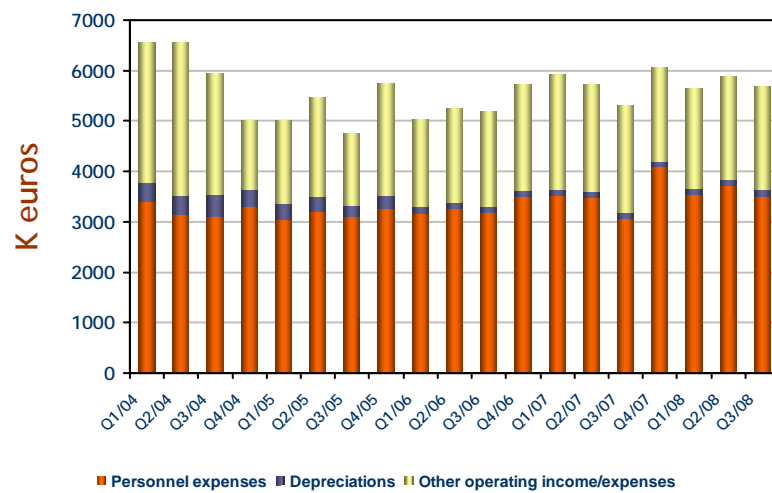
## Net Sales by Area



Slide 11

Copyright © 2008 Stonessoft Corporation. All rights reserved.

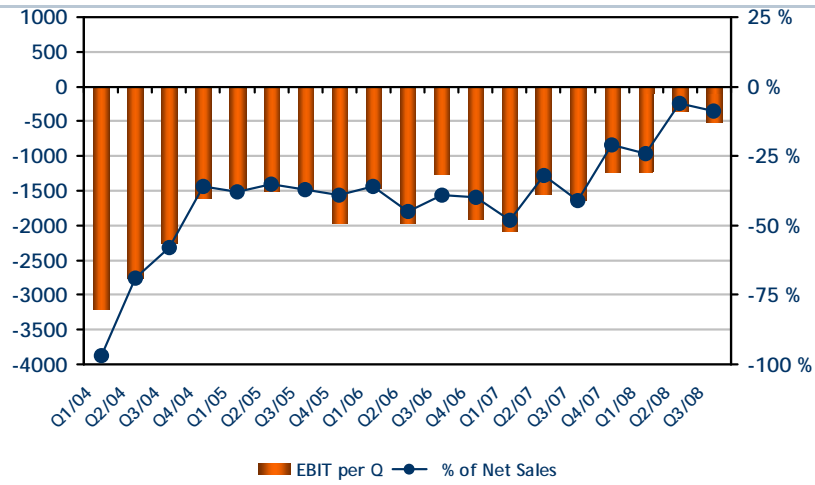
## Operating Costs by Quarter



Slide 12

Copyright © 2008 Stonessoft Corporation. All rights reserved.

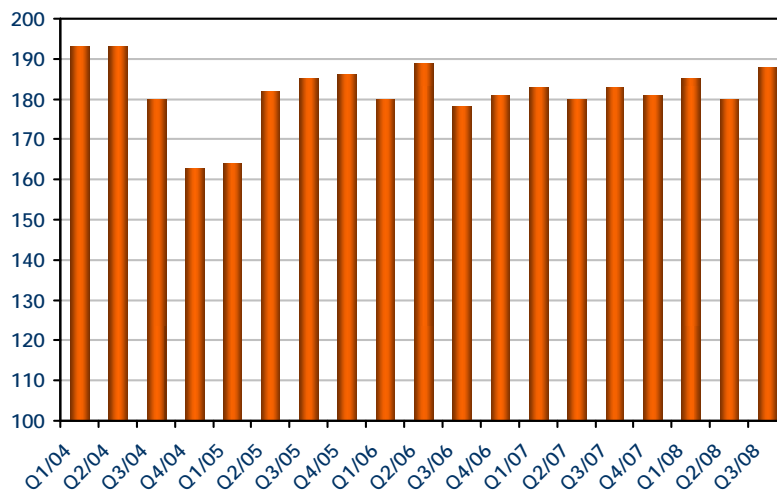
## EBIT by Quarter



Slide 13

Copyright © 2008 Stonesoft Corporation. All rights reserved.

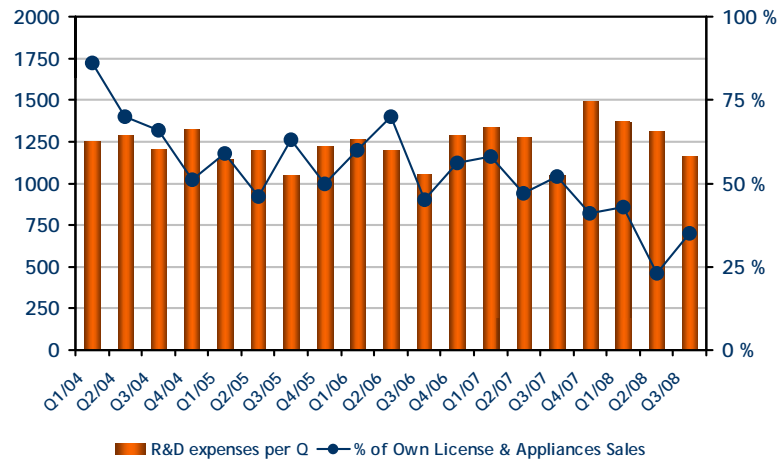
## Personnel at the End of Quarter



Slide 14

Copyright © 2008 Stonesoft Corporation. All rights reserved.

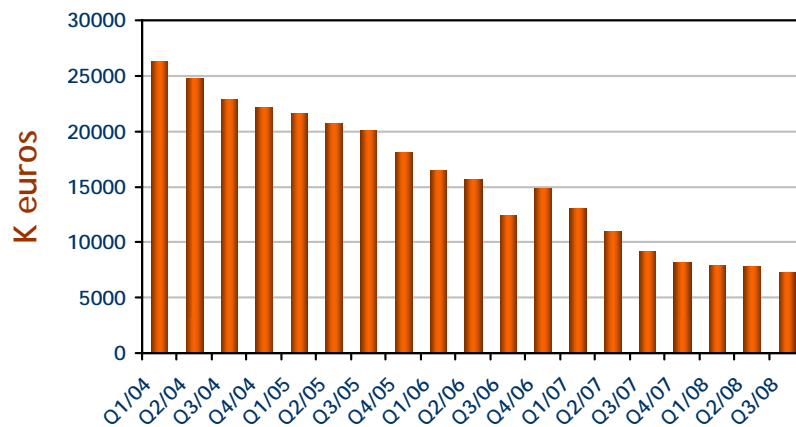
## R&D Expenses



Slide 15

Copyright © 2008 Stonessoft Corporation. All rights reserved.

## Liquid Funds



Slide 16

Copyright © 2008 Stonessoft Corporation. All rights reserved.



# STONESOFT

[www.stonesoft.com](http://www.stonesoft.com)  
[stonesoft@stonesoft.com](mailto:stonesoft@stonesoft.com)